

WORLD BRIEFS

"We want to make sure that everybody is doing what is required at the time it is required," said Clyde Kizer, vice president of engineering and maintenance at the Air Transport Association, the airline trade group based in Washington that sponsored the study. "People who don't want to do the maintenance or can't afford to do it will be

piece of equipment like a cargo door.

The total cost of all the repairs recommended in the industry study will be several hundred million dollars, perhaps even \$1 billion, and the work will take several years, industry experts say.

Boeing has said the cost of all the recommended repairs will be about \$600 million per airplane. About 700 Boeing 727s, 737s and 747s are involved.

The McDonnell Douglas repairs on DC-8s, DC-9s and DC-10s could involve as many as 500 airplanes. A cost per airplane has not been estimated.

Boeing says it has already spent several hundred thousand dollars,

Iran Official Denies Mass Executions

NICOSIA (Reuters) — Interior Minister Ali Akbar Mohtashemi of Iran denied Tuesday that he had told a Paris-based magazine that all dissidents in Iranian prisons had been executed.

The Arabic magazine Al Musbakhal quoted Mr. Mohtashemi on Monday as saying: "To settle this matter once and for all, all those who have been arrested and those who joined them have been executed."

According to IRNA, the Iranian news agency, Mr. Mohtashemi said the subject of prisoners did not come up in his interview with the Al Musbakhal reporter and that statements attributed to him were "a production" of the reporter's imagination.

North's Trial Is Delayed for a 2d Day

WASHINGTON (AP) — Oliver L. North's trial came to a halt again Tuesday after it was discovered that government-censored memos by Mr. North's former courier to the Nicaraguan rebels, Robert W. Owen, had previously been put on the public record.

Mr. North's lawyers moved to dismiss the indictment against Mr. North, saying it was impossible for the former White House aide to get a fair trial under U.S. secrecy procedures in the Iran-contra affair. The dispute was caused by Mr. Owen's memo that stated the name of a Costa Rican official, Benjamin Piza, the former security minister. It was part of the record released in June in a suit brought by the Christian Institute, an activist group that has criticized U.S. policy in Central America.

U.S. District Judge Gerhard A. Gesell sent the jurors home for the second day, saying there were "unresolved" problems concerning the classified material.

For the Record

At least 38 died when Zairian Security forces clashed with student demonstrators Sunday in the southern city of Lubumbashi, and about

(Continued from page 1)

ington, London and Paris oppose until Warsaw Pact ground forces have been cut back heavily enough to reduce the need for Western troops.

Also, East-West talks on cutting conventional forces in Europe are due to start in Vienna next month, and many diplomats expect the Bonn government to emerge there as the leading Western advocate of NATO's making significant cuts in its own forces, which are concentrated in West Germany.

Most Western governments envisage only scant cuts in NATO forces, insisting instead that the Warsaw Pact undertake major cuts. Bonn has been the force to push down roughly to equality with the North Atlantic Treaty Organization.

On economic issues, West Germany's proclaimed goal of helping the Soviet leadership produce visible improvement in living standards is also able to put Bonn at

Bonn government and its main allies."

Without suggesting that Mr. Kohl has succumbed to Soviet blandishments, diplomats express concern that Bonn might see opportunities to enhance its world stature by spearheading new Western policies toward a Soviet bloc in flux.

The poor communication between Bonn and some allied capitals was highlighted by unusual public pressure on Bonn — through U.S. government leaks to the press and comments by British officials — in a series of recent disputes, including West German loans to the Soviet Union. The reaction to accusations about chemical weapons exports, and its handling of rising domestic impatience with the inconveniences caused by allied troop maneuvers

With Washington, the issue is ex-ports of militarily sensitive technol-ogy. With London and Paris, it is the issue of aid widely to spread the European Community to trade with East Eu-ropean nations.

West German officials maintain that their record of alliance solidar-ity is unimpeachable, often citing the government's recent willingness to follow through on the politically unpopular decision to extend the length of military service of West German draftees from 15 to 18 months.

In an apparent effort to deflect all-sided criticism and protect West Germany's position on détente, Foreign Minister Hans-Dietrich Genscher has been zealously re-cent weeks in supporting tough Eu-ropean attitudes toward Libya over chemical weapons and toward Iran over the Salman Rushdie affair.

Mr. Genscher, an analyst said, has "realized that he has to reassure the alliance, but he resists giving

in West Germany.

The mood of exasperation in the alliance, called "a soul mismatch at this juncture" by a commentator in West Germany, has been fueled by personality clashes between some West German leaders and their U.S. and European counterparts.

Mr. Genscher's antipathy for President P. Sholto, the U.S. secretary of state, has been widely reported in West German newspa-pers.

Having served as foreign min-ister for 16 years, Mr. Genscher has unrivaled personal experience with East-West negotiations. His excep-tional strategic sense contrasts with Mr. Kohl's immersion in domestic politics.

Mr. Kohl's lack of sensitivity to international opinion also has been cited as a factor in causing West Germany to drift into a series of disputes with allies.

Mr. Genscher bristles at sugges-tions that he is less than a West Ger-man patriot, to become an accom-

Mr. Genscher, an analyst said, "has realized that he has to reassure the alliance, but he resists giving the chemical weapons and toward Iran over the Salman Rushdie affair."

The desire of West German leaders to maintain their room for maneuver, the analyst said, has encouraged repeated objections by Bonn officials to making the nuclear issue, and presumably any other single-issue debate, a "litmus test" of loyalty to the alliance.

It would be a mistake to believe, several diplomats said, that West German policy is simply adrift and can be easily moored again by vigorous allied remonstrances.

Several diplomats cited major differences between West German insistence to deploy tactical nuclear weapons in the early 1980s and the current divergences in the alliance about East-West policy.

"Then, the West German government knew what it wanted, and allied statements helped swing public opinion behind the policy,"

Strike May Delay Italian Air Traffic

ROME (Reuters) — Flights in and out of Italy are likely to be delayed during a 24-hour slowdown strike by air controllers beginning at midnight Tuesday, airport officials said.

They said the dispute, over pay and working conditions, would cause greater disruption for arrivals than departures. They did not anticipate any cancellations. At the same time, customs officers at Rome's Fiumicino airport extended a slowdown and refusal to work overtime until midnight Wednesday. This has caused delays since last week.

Greek civil aviation employees resumed work Tuesday after a two-day strike, but more walkouts may be organized starting March 8 if the government fails to meet pay demands, a union official said. (APF)

A work stoppage by Dhaka pedicab drivers along with a wildcat strike on private bus lines that entered its fourth day hindered movement in the Bangladesh capital Tuesday. A government plan for a phased withdrawal of the pedicabs from Dhaka's clogged streets has prompted fears of unemployment among the estimated 400,000 pedicab drivers. (APF)

Singapore's 103-year-old Raffles Hotel closed Tuesday for a two-year facelift. (Reuters)

WEATHER

[illegible][illegible]

High Court Rules Strikers Face Loss of Seniority Rights

The Associated Press
WASHINGTON — The U.S. Supreme Court, in a victory for Trans World Airlines, said Tuesday that railroads and airlines may penalize strikers by giving their jobs to employees with less seniority who stay on the job or return to work before the strike ends.

In a 6-to-3 ruling, Justice Sandra Day O'Connor said for the court that such a policy "of encouraging prestrike workers to remain on the job during the strike or to abandon the strike and return to work before all vacancies were filled" was a legitimate "exercise of TWA's peaceful economic power."

The decision was denounced by Justice William J. Brennan Jr., who said in a dissenting opinion that favoring workers who cross picket lines was "inherently destructive of the right to strike."

The ruling is based on an interpretation of the federal Railway Labor Act, which governs airlines as well as railroads.

The case stems from a dispute between TWA and the Independent Federation of Flight Attendants. The attendants' three-year

contract expired July 31, 1984, and the union called a strike on March 7, 1986, when negotiations failed.

TWA hired more than 1,220 new flight attendants after the strike began. In addition, about 1,280 TWA flight attendants crossed picket lines either at the outset of the strike or as the strike continued for more than two months.

After the strike ended, the union filed a lawsuit charging TWA with illegally refusing to reinstate more than 2,000 striking workers.

The 8th U.S. Circuit Court of Appeals ruled in 1987 that striking flight attendants were entitled to their old jobs at the expense of less-senior flight attendants who had crossed the picket lines.

The 1,220 flight attendants hired during the strike were allowed to keep their jobs and were not affected by that ruling or by Tuesday's decision, which reversed the 8th Circuit ruling by favoring the so-called cross-overs, or persons who crossed the picket line to work.

"That the prospect of a reduction in available positions," Justice O'Connor said, "may induce employees and create incentives among them to remain at work or abandon a strike before its conclusion is a secondary effect fairly within the arsenal of economic weapons available to employers during a period of self-help."

"To distinguish cross-overs from new hires in the manner IFFA proposes would have the effect of penalizing those who decided not to strike in order to benefit those who did," she said. "We see no reason why those employees who chose not to gamble on the success of the strike should suffer the consequences when the gamble proves unsuccessful."

She was joined by Chief Justice William H. Rehnquist and Justices Byron R. White, John Paul Stevens, Antonin Scalia and Anthony M. Kennedy. Besides Justice Brennan, the other dissenters were Justices Thurgood Marshall and Harry A. Blackmun.

The court also took the following actions:

• It made it easier for the U.S. government to turn over tax information and financial records to a foreign government. The 9-0 ruling allows Canadian officials to see financial records of two Canadians with bank accounts in Washington state. The court said a federal law that protects potential criminal defendants who also are being investigated by the Internal Revenue Service does not apply to tax investigations by foreign governments.

• It reinstated the death sentence of a convicted Florida murderer, saying he should have been barred from mounting a successful constitutional attack in federal courts. The court ruled, 5 to 4, that Aubrey Adams Jr. forfeited the right to challenge his sentence in federal court on an issue he had failed to raise in state appellate courts. Mr. Adams was convicted of strangling 8-year-old Trisa Gail Thornley in Ocala 11 years ago.

• It ruled unanimously in a case from Canton, Ohio, that local governments may be forced to pay damages to people whose rights are violated by inadequately trained public employees if the inadequate training stemmed from governmental "deliberate indifference."

In an opinion by Justice White, the court said the inadequate training also must be closely related to the ultimate injury.

The Supremes Agree That Rock Is Loud

By Linda Greenhouse
New York Times Service
WASHINGTON — The only proposition on which everyone at the U.S. Supreme Court appeared to agree was that rock music is loud music.

"Is there any such thing as quiet rock music?" Associate Justice Thurgood Marshall asked Leonard J. Koerner, New York City's chief assistant corporation counsel.

"No," Mr. Koerner replied. But there was no agreement Monday on what the U.S. Constitution permits a city to do about loud rock music.

The question before the court—one of the more unusual First Amendment issues to reach the justices—was the constitutionality of a New York City noise-control regulation requiring musical performers at the Naumburg Bandshell in Central Park to use a city-supplied sound system and sound technician.

The U.S. Court of Appeals for the 2d Circuit had ruled that the regulation violated the performers' free-expression rights. While the city may limit the sound level of concerts, the appeals court said, the constitution permits only the "least restrictive means available."

City control of the "mix" of sounds that make up the artistic presentation is too intrusive, the appeals court said.

The Supreme Court accepted New York's appeal last October. In the hour-long argument, the justices appeared alternately bemused and befuddled by unfamiliar concepts like the role of the "sound mix" in a rock concert.

Mr. Koerner said the regulation did not threaten artistic expression because the city-supplied technician knew how to provide the "mix" that each band wanted.

"So the sound technician is not as important as the conductor of a symphony?" Associate Justice Anthony M. Kennedy asked.

"No, he's really a technician," Mr. Koerner replied. But William M. Kunstler, representing Rock Against Racism, an organization of musical groups that challenged the regulation, vigorously disagreed. The organization has

staged an annual concert at the bandshell since 1979.

"A conductor and the man that does the mix are very comparable," Mr. Kunstler said. He said New York City's effort to substitute its technician for a band's own was "as if the city said that we're going to put Georg Solti in there instead of Zubin Mehta because Solti plays andante and dolce and Mehta always plays loud."

Mr. Kunstler, a well-known civil rights lawyer, addressed the court in a folksy, almost familiar manner, and some of the justices responded in kind.

By contrast, Mr. Koerner, like Mr. Kunstler an experienced Supreme Court practitioner, made a low-key, even solemn presentation.

Associate Justice John Paul Stevens challenged him with a hypothetical question. "Suppose a band's drummer or trumpet player is much too loud," Justice Stevens said. "Could the city say, 'We can't control the sound, we're going to get our own drummer who's just as good, exactly the same?'"

Mr. Koerner said that would be a "tougher case" because it would put the city in the position of substituting its "aesthetic judgment" for that of the performers.

New York City's argument is that the First Amendment does not require it to choose the "least restrictive" approach to sound regulation as long as the method chosen is reasonable.

No member of the court acknowledged ever having attended a rock concert, but several justices pressed the lawyers for comparisons between rock bands and symphony orchestras.

"Is the New York Philharmonic as loud as a rock band?" Justice Marshall asked Mr. Kunstler.

Replying that the Philharmonic could get quite loud "when the kettle drums get going," Mr. Kunstler began to describe a concert he had attended.

"I'm sorry I asked," Justice Marshall said.

The court is expected to decide the case, *Ward vs. Rock Against Racism*, by early summer.

AMERICAN TOPICS

Ideas for Memorials And How They Grow

In the last two years the U.S. Congress has authorized new memorials in and around Washington to honor Korean War veterans, blacks in the Revolutionary War, women in Vietnam, the Lebanese author Khalil Gibran, Franklin D. Roosevelt and Francis Scott Key, who wrote the words to the national anthem.

Bills are pending in Congress. The Washington Post reports, for memorials to World War II veterans, the World War II

Yugoslav leader Dr. Mihajlovich, the U.S. Merchant Marine and to members of the American press killed in the line of duty.

And on file at the National Park Service are proposals for further memorials to the American housewife, anti-war protesters, "unknown unborn dead babies," "victims of communism," the naturalist John Muir, and John Adams, the second president of the United States. Joe Wright, a dog trainer from Fayetteville, North Carolina, has been campaigning for years for a memorial to scout dogs of the Vietnam War.

Although Washington will soon have a memorial to Gibran, it has none to Walt Whitman, Mark Twain or Ralph Waldo Emerson. Nor is there a monument to the American Indian.

The Post suggested "a memorial to people who crusade for memorials."

Short Takes

Islam is the fastest-growing religion in the United States. The New York Times reports, and is growing most rapidly among American blacks. Of the six million Moslems in the United States, most are immigrants and their children. But at least one million are believed to be black Americans. Most of them have embraced mainstream Islam, a far cry from the separatist and often violent faith espoused by Elijah Mohammed in the 1960s.

An inmate used a John Dillinger special—a pistol carved from a bar of soap—to escape from the Crown Point, Indiana, jail where Dillinger himself escaped 55 years ago. Dillinger joked that his gun was wooden. In fact, it was real. Robert E. Gregory's was not, but he used it to hold up a bailiff

and steal a car. Mr. Gregory, 25, a convicted burglar, was recaptured without incident in less than an hour.

Officials are trying to rid Anne Arundel County, Maryland, which surrounds the state capital, Annapolis, of abandoned cars and private junkyards. They have their work cut out for them in Bill Rumble's yard in Odenton, littered with the hulks of 30 vehicles amid piles of trash. The Washington Post recounts. Meeting county inspectors on his sagging front porch, Mr. Rumble pointed to a 40-year-old dump truck now overrun by grapevines, engine parts and chicken wire. "I was going to take it to the dump," he said good-naturedly, "but the darn trees done grown up through it."

Arthur Higbee

Swiss Arrest 4 in Du Pont Extortion

Police Say \$10 Million Was Asked for Stolen Secrets

By James Hirsch
New York Times Service

NEW YORK — A two-month international investigation of industrial espionage has ended in a Geneva parking lot with the arrest of four men for trying to extort \$10 million from Du Pont Co., law-enforcement and company officials said.

The case involved some of Du Pont's most important secrets for the production of Lycra, the company's trade name for spandex fiber. Spandex is used in clothes, particularly sportswear, and Du Pont, a huge energy, chemicals, and specialty-products concern, is a leading maker of it.

Three of the four men charged Monday are former employees of Du Pont's Argentine subsidiary. They were arrested as they tried to escape a trap set for them, law-enforcement officials said. A warrant has been issued for a fifth suspect, also a former employee.

The four Argentine nationals had been with Du Pont at least 13 years, working as middle managers until they quit within the last five months. Du Pont said they were trying to sell to the company stolen

proprietary information on Lycra. The case involved a huge cache of stolen documents, an elaborate sting operation by the Federal Bureau of Investigation, and collaboration among law officials in three countries.

The FBI and Du Pont gave this account of the case:

In December, one of the suspects, Bruno Skerianz, contacted Du Pont and said he had documents from the company's Argentine subsidiary on spandex technology and the production of Lycra, one of Du Pont's most important products. Mr. Skerianz, the one suspect who had not worked for Du Pont, asked for a meeting with Du Pont officials in Wilmington, Delaware, where the company has its headquarters.

Du Pont alerted the FBI, which assigned an agent to work undercover as a Du Pont official in the company's negotiations with Mr. Skerianz.

At the first meeting between the suspect and Du Pont, on Dec. 20, Mr. Skerianz demanded \$10 million for the Lycra documents, threatening otherwise to use the

information to go into business for himself or sell it to a competitor.

In a second meeting and in telephone conversations that followed, Mr. Skerianz said the documents were in Milan. Last month, Du Pont officials and the FBI undercover agent went to Milan, and the company concluded that the documents, as the suspect had claimed, contained the Lycra information.

Du Pont contacted Mr. Skerianz and agreed to pay him \$10 million. The Geneva meeting was scheduled for 11 A.M. Monday in a conference room at an office building. Several Du Pont officials and the FBI agent had planned to exchange a bogus \$10 million check for the documents, after which the Geneva police would arrest the suspects.

But the suspects had apparently learned of the trap, because they stayed in their hotel room, which was under surveillance. At noon, four of the five suspects left the hotel with several huge attaché cases containing thousands of pages of documents, which they put in two cars.

The Geneva police arrested the four in the parking lot.



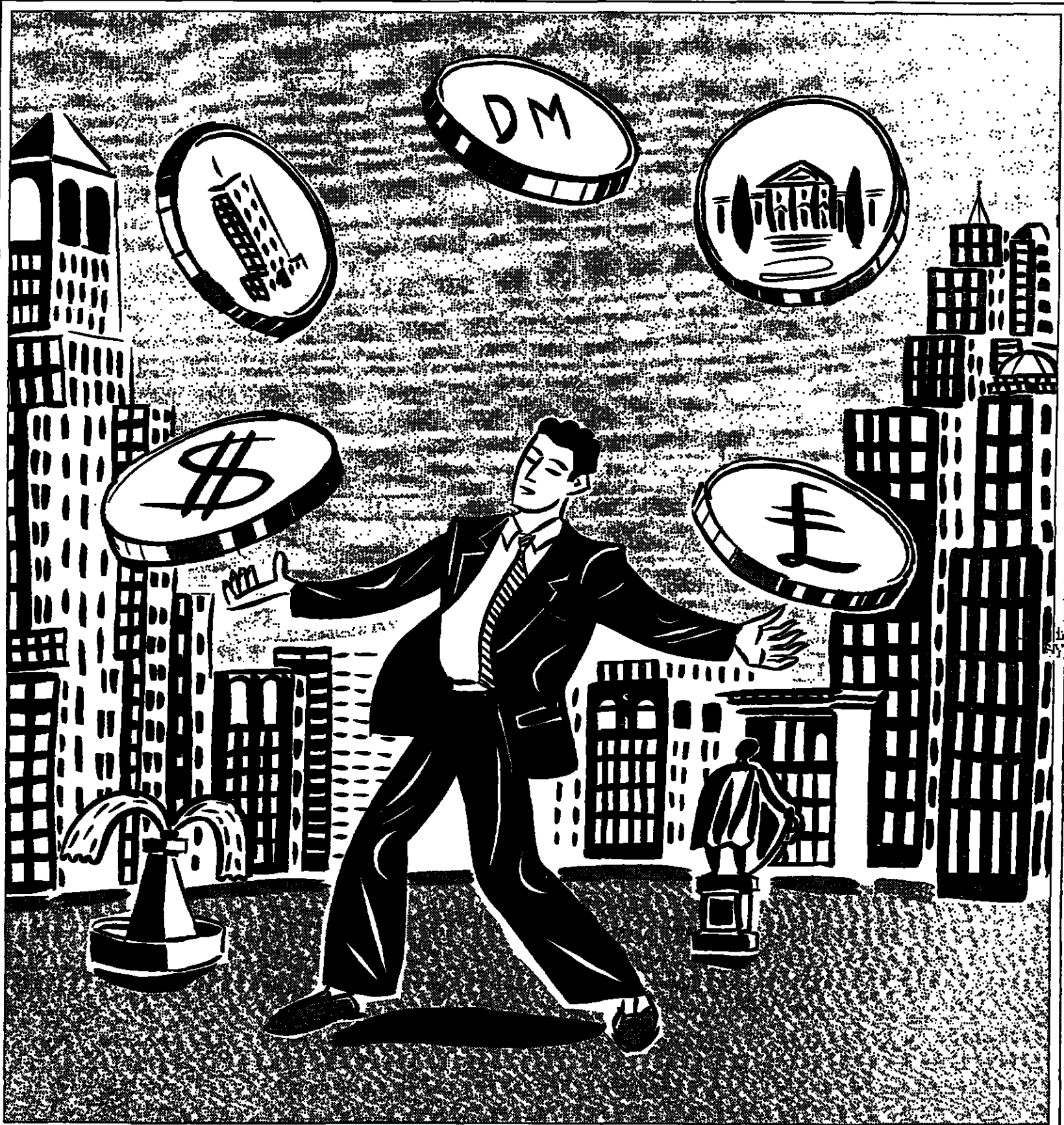
CLASSIC

la collection

Van Cleef & Arpels

Paris

PARIS GENEVE MONTE CARLO NEW YORK BEVERLY HILLS
TOKYO OSAKA HONG KONG MILANO ROMA MASHU
BRUXELLES DEN HAAG ROTTERDAM



It's our business to see that being wealthy doesn't overtax your resources.

One thing's certain, if success was worth achieving, it's worth safeguarding. And, in today's uncertain conditions, that may be a full-time career in itself.

Can you afford the time to assess how political and economic trends are likely to affect the value of any assets you hold overseas? To research and evaluate new and potentially rewarding forms of investment? Or to plan your affairs in the most tax-efficient way available?

Happily, if you can't, there is a practical alternative. It's called International Private Banking from Lloyds Bank.

Your Private Bank

We will put you in touch with a personal adviser, your account executive, who specialises in global investment for the individual. This puts at your fingertips all the asset management and investing skills, information and contacts of a bank with branches in 40 countries.

To find out more, please contact Keith Skinner at our Head Office, 6 Place Chevelu, 1201 Geneva, or telephone (22) 208611.

Cayman, Dubai, Geneva, Gibraltar, Guernsey, Hong Kong, Jersey, London, Luxembourg, Marbella, Miami, Monaco, Nassau, New York, Panama, Zurich.



Lloyds Bank
International
Private Banking



MURDER IN THE EMERALD KINGDOM — Colombian police restraining a relative from entering a luxurious ranch owned by the so-called "king of emeralds," Gilberto Molina, after gunmen killed him and 17 bodyguards during a weekend party at Sasaina, 72 kilometers west of Bogotá. Mr. Molina, 53, survived two murder attempts in 1988. One was attributed to rival emerald miners, the other to leftist rebels. Police sources have linked him to cocaine activities.

Mexico Claims Anti-Drug Successes

Washington Post Service

MEXICO CITY — With the U.S. Senate scheduled to begin the "certification" process Wednesday on Mexico's performance in combating drug trafficking, the Mexican government and the U.S. ambassador here are claiming major successes by the three-month-old government of President Carlos Salinas de Gortari.

In a briefing after the signing of a bilateral agreement on cooperation in the war on drugs last week, Ambassador Charles J. Pilliod Jr.

praised the Mexican government for what he said was a "remarkable" and "quite impressive" increase in its anti-narcotics efforts.

In a separate interview, Mexico's deputy attorney general in charge of anti-narcotics matters, Javier Coello Trejo, listed achievements since Dec. 1 that include the arrest of 1,617 persons for drug offenses, eradication of 2,162 acres (875 hectares) of opium poppy and marijuana plants and seizure of 70 pounds (32 kilograms) of pure heroin, 92 tons of marijuana and 2.2 tons of cocaine base.

The State Department is to release its annual report Wednesday for the congressional certification hearings on whether Mexico and others are cooperating fully with the United States in fighting the drug trade.

Under a 1986 law, decertification of a country in which narcotics are produced or transhipped would require the U.S. government to cut foreign aid and vote against loans by multilateral institutions. Mexico receives about \$15 million a year in assistance for a drug-eradication program.

Herald Tribune

Published With The New York Times and The Washington Post

A Rebuff in Beijing

Diplomatic harmony and good feelings are all very well, but China's leaders drew the line at President George Bush's invitation to the dissident Fang Lizhi. Their refusal to allow Mr. Fang to go to the Americans' party in Beijing was a striking rebuff to their visitor, Mr. Bush. It seemed to us that Mr. Bush was much too mild and complaisant in response to it. He should have registered much more strongly and quickly his own displeasure. He should have politely raised hell.

As the incident illustrates, the extraordinary reforms in the Chinese economy are not being balanced by anything similar in the country's political system. The leadership seems to regard one kind of progress as the enemy of the other. The Communist Party's general secretary, Zhao Ziyang, had earlier gone out of his way to deflect Mr. Bush from any mention of human rights by saying that the dissidents were a threat to progress in economic decontrol and decentralization. On that point, too, we think Mr. Bush should have countered strongly.

In the aftermath of the party that Mr. Fang didn't attend, the Chinese government complained that the embarrassment was entirely the fault of the United States for having invited him without first consulting them. But of course there was more to it than that. The party was delivering a double message: to the Chinese people, to stay in line, and to the Americans to mind their own business.

But the Americans regard human rights as their business and should. Does it sometimes get in the way of commerce and other kinds of international business? No doubt, but that

is a price that most Americans have consistently been willing to pay. While China is a country of great importance to the United States, the American concern for human rights is increasingly going to be a factor as the dealings between them expand.

After the party, as he was leaving China, Mr. Bush expressed his regret over the treatment of Mr. Fang to the vice premier who was seeing him off. The president, a spokesman said, prefers to talk about human rights cases in a low key and privately. There is something to be said for that approach in certain (but not all) situations, but only as long as it is not so low-keyed and private that it becomes invisible, and only if it does not convey the signal that the United States really doesn't care what the offending government does to its own protesters.

In fact, Mr. Fang had a point when he chided the United States for what he called its double standard in dealing far more gently with these issues in China than in the Soviet Union. It is true that Chinese practice has improved immeasurably since the atrocities of the Cultural Revolution. Not a hand was laid on Mr. Fang on Sunday. He was not whisked off by the cops. He remained at liberty to tell the world what had happened. But the Cultural Revolution is not exactly a sterling standard against which to measure progress, and Mr. Fang is living under an authority that remains monolithic. As long as that continues to be true, it will set clear limits on the relations between Mr. Fang's country and Mr. Bush's. The Chinese government leaders need to understand that.

— THE WASHINGTON POST.

Say No to John Tower

The last act of the drama of John Tower's nomination to be defense secretary opened on Sunday with his startling pledge to abstain from alcohol. That adds yet another factor to the complex balance that senators must strike this week when they decide whether to give their advice and consent.

Out of many weeks, much smoke and some fire emerge five questions by which the nomination can be appraised.

Is Mr. Tower qualified by experience and policy views to be secretary of defense?

Yes. As a longstanding member of the Armed Services Committee, and its chairman from 1981 to 1984, he has abundant knowledge. He supported the indiscriminate Reagan buildup, which laid the basis for the Pentagon's present budget crisis, and still shows no arduous to correct the long list of Pentagon abuses. But strong policy views should not disqualify a candidate, and these views are well known to George Bush.

Isn't the president entitled to his nominee?

In principle, of course. Nominations to his own cabinet are different from lifetime nominations to the Supreme Court. The Democratic Senate recognizes this principle. It has already approved 11 of Mr. Bush's nominees without a single dissenting vote either in committee or on the Senate floor. But even Mr. Bush, despite years of political debts to Mr. Tower, took a month to decide to nominate him — that was Act I of the Tower drama. The Senate has the right to hesitate, too, and to deny its consent in extreme cases.

Without clear evidence of indiscretion — without a smoking gun — isn't it offensively partisan and Puritan for Senate Democrats to vote against Mr. Tower?

Not necessarily. Act II closed when the Senate Armed Services Committee split 11 to 9 against the nomination along party lines. Mr. Tower's backers cite that as evidence of party politics. But the split was almost certainly more complex. True, there is no smoking gun, but neither is Mr. Tower on trial. This is a political test of his suitability for executive office — indeed, a test that opened with the odds heavily in his favor. If the Senate usually presumes in favor of presidential nominees, it is positively enthusiastic about former senators like Mr. Tower. That members of both parties on the Armed Services Committee

who know him well are clearly perturbed puts weight on the negative side of the scale.

Do wine and women justify second-guessing Mr. Bush's choice?

Maybe. The hearings have raised a storm of accusations about Mr. Tower's private life. These require the most stringent of tests: rumors can be generated about almost anyone. From what is on public record, the allegations of Mr. Tower's womanizing lead nowhere. Mr. Tower now admits he drank too much in the 1970s, although he denies that he was ever addicted. Still, it is worrisome that he has never sought treatment. His pledge not to drink at all while at the Pentagon should probably allay some doubts. Still, the alcohol problem, while not disqualifying, weighs against Mr. Tower's fitness to serve as second after the president in the military chain of command.

Is Mr. Tower spinning too fast through the revolving door of business and government?

Yes. After years of Pentagon contracting scandals, the next secretary of defense does not need to be trampled by conflicts of interest, real or perceived. That should not disqualify everyone with experience in the defense industry; an executive could recuse himself from issues involving his own firm. Mr. Tower's situation is different in two ways. He had many clients, too many to allow refusal. And he opened his consulting firm immediately after working as an arms negotiator in Geneva, where he acquired valuable insight into future weapons systems. He says it would have been "reasonable" to share classified information with his clients. Still, some senators are troubled by the use of more general knowledge in advising clients. Sam Nunn, the committee chairman, says, "It's a tough line to draw, but I do believe John Tower crossed that line."

□

The revolving-door problem, the drinking issue, his poor reputation among the very senators he would deal with daily in office: taken together, these all weigh against Mr. Tower. Instead of forcing a Senate vote, he would serve the president better by withdrawing. Even if he won the vote, his effectiveness would be seriously damaged by the experience of recent weeks. All the more reason for the Senate to say no, if it has to, to the Tower nomination.

— THE NEW YORK TIMES.

Other Comment

FSX: Japan Might Go It Alone

The decision by the White House to re-examine the agreement negotiated last year to help Japan build a new advanced fighter plane, the FSX, through the transfer of F-16 fighter technology is regarded with surprise in some circles here.

If the United States decides to continue the agreement in more or less its present form, most of the critical technologies, such as advanced avionics and phased-array radar systems, would be designed here. This country would also develop a composite wing for the new plane in collaboration with the American manufacturers, which suggests a reasonable trade-off in technology between the partners.

But if the U.S. review of the FSX agreement undergoes lengthy delays or leads to new, still to be announced conditions, that may well push Japan to again lean toward undertaking development of the FSX entirely on its own.

— The Japan Times (Tokyo).

A Threat to Civilization

In the affair of "The Satanic Verses," what is at stake is not the content of Salman

Rushdie's book but the right to freedom of opinion, to respect for human rights and for civilization itself, which is now threatened by a politically interpreted fundamentalist orthodoxy. The West and particularly the Third World, through the United Nations Organization that it dominates, must stand up for the idea of tolerance and for especially among religious. If self-appointed guardians of absolute truth and official defenders of "holy war" gain the upper hand in this world, freedom of thought and freedom in general will be in jeopardy.

— Neue Zürcher Zeitung (Zurich).

Bush's Pacific Triangle

No president before George Bush had dared state publicly that the United States was an "equally Pacific and Atlantic" nation. Now that Mikhail Gorbachev has given a new turn to relations with Washington, Mr. Bush has gone so far as to state solemnly in Beijing that he gave his blessings to the improvement of ties between China and the Soviet Union. Mr. Bush and Deng Xiaoping seem agreed to establish a perfectly equal triangle as the framework of relations between the Pacific's three great powers.

— Diario 16 (Madrid).

INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1988-1989

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen

LEE W. HUBNER, Publisher

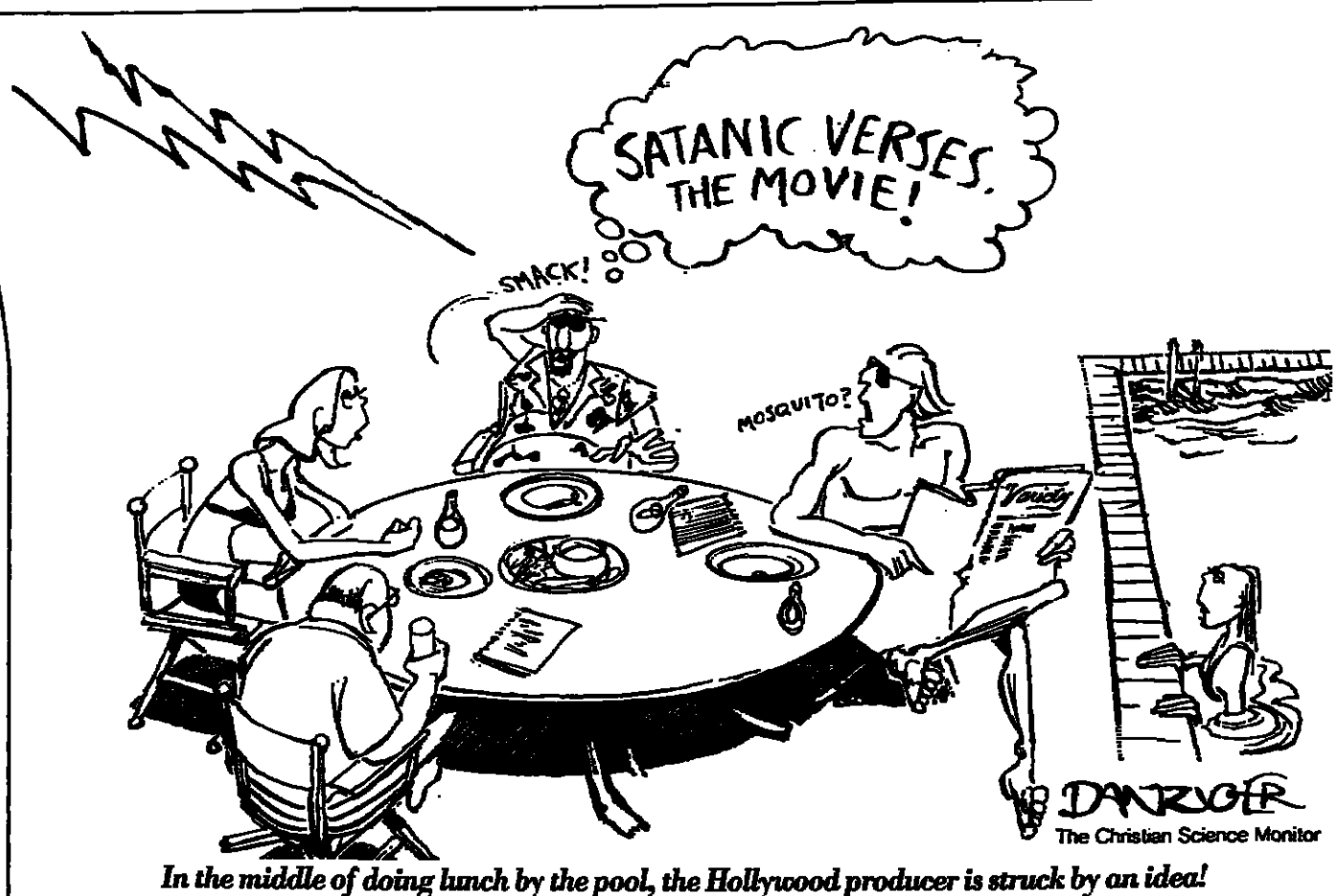
JOHN VINOCUR, Executive Editor • WALTER WELLS, News Editor • SAMUEL AIT, KATHERINE KNORR and CHARLES MITCHELL, Deputy Editors • CARL GEWIRTZ, Associate Editor • ROBERT J. DONAHUE, Editor of the Editorial Pages • JAMES R. CRATE, Business Financial Editor • RENÉ BONDY, Deputy Publisher • ALAIN LECOUR and RICHARD H. MORGAN, Associate Publishers • FRANÇOIS DESJARDINS, Circulation Director • ROLF D. KRANEPUHL, Advertising Sales Director • KOURT HOWELL, Director, Information Systems

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1) 46 37 93 00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698.

Directeur de la publication: Walter H. Thayer.

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel: 472-7768. Telex: RS56928. Managing Dir. Asia: Michael Glavin, 30 Gloucester Road, Hong Kong. Tel: 5-8610616. Telex: 61170. Managing Dir. U.K.: Robert MacKinnon, 61 Long Acre, London WC2E 9LT. Tel: 830-4802. Telex: 262509. Gen. Mgr. W. Germany: W. Lauerbach, Friedrichstr. 15, 1000 Frankfurt/M. Tel: (089) 287533. Telex: 416721. Pres. U.S.: Michael Corvey, 850 Third Ave., New York, N.Y. 10022. Tel: (212) 752-3890. Telex: 427175. S.A. au capital de 1.200.000 F. RCS Nanterre B 732021128. Commission Paritaire No. 61337. © 1989, International Herald Tribune. All rights reserved. ISSN: 0249-9057.

OPINION



In the middle of doing lunch by the pool, the Hollywood producer is struck by an idea!

Who Will Stop Iraq From Torturing Children?

By Jonathan Power

LONDON — Brutal treatment of children has become routine practice in the prisons of Iraq. Amnesty International reported last night. Young people have been tortured, often to force them to reveal information about their relatives. Infants have been ill-treated to compel members of their families to confess to alleged political offenses.

Who can influence Iraq? It fought a nonsensical war with Iran for eight years. Contrary to a solemn international treaty that it had signed voluntarily, it used chemical weapons, first against Iran and then to kill 5,000 residents of Halabja in an attempt to destroy a Kurdish stronghold.

Amnesty says it is asking the United Nations Commission for Human Rights, now meeting in Geneva, to investigate and find a way to protect these children. But this comes a few days after the commission published a scathing report on abuses in Cuba. Will Iraq's Islamic friends veto any action, just as Cuba's Communist friends did? Can they close their eyes to stories like these?

Mirza Rashid was 6 years old when he was imprisoned in 1985. He is currently held in Mosul. Lami Khan 'Abd al-Baqi Taha was 12 when she was imprisoned in 1985. She is now held in Dulok. Ladghin Sabri Hussain was 10 when imprisoned in 1985. He is in Mosul.

Muhammad 'Omar Najm was 11 when sent to jail in 1985. He is held in Tikrit.

Jum'a 'Abd al-Baqi Taha was 11 when imprisoned in 1985. He is in Dulok.

Amnesty has evidence of the torture of whole groups of children. According to the testimony of a former detainee released from Fudaliyya Security headquarters at the end of 1985 and regarded by Amnesty as an honest source, some of the 300

children and youths from Sulaimaniya held in the prison were beaten, whipped, sexually abused and given electric shocks.

Another former political prisoner, also considered very reliable, tells about the fate of his own family brought in front of him and tortured to make him reveal his political affiliation. He said: "My mother, three sisters and three brothers with five children aged between 5 and 13 were arrested and brought in front of me. They were subjected to the *falaga* (beaten on the soles of the feet) and electric shocks." He says he saw a 5-month-old baby screaming after being deliberately deprived of milk to force his parents to confess.

Iraq is not alone in abusing children to intimidate parents. The regime of Alfredo Stroessner, recently overthrown in Paraguay, was a notorious practitioner of this black art. I will never forget two photographs of the 17-year-old son of the Paraguayan doctor, painter and philanthropist, Joel Holden Filartiga, who was well known for the help he gave to the rural poor and his constant opposition to the dictatorship. In one photo is young Joel, a bright, attractive boy. In the other is the picture, taken during his autopsy, of a face distorted by pain. In an effort to intimidate his father, the boy was abducted and tortured to death.

The Soviet Union used to separate children from their parents to bring pressure to bear on families who belonged to religious communities.

In Ethiopia the chief of state, Colonel Mengistu Haile Mariam, in an effort to consolidate his power in the early days of his revolution, un-

leashed in 1977 what he called the "Red Terror." During the peak period, at least 100 young people aged between 12 and 25 were killed. Executions often took place in public, and then the bodies were sold back to the parents for burial. "Paying for the bullet," the revolutionaries called it.

The worst of all the atrocities I have come across was the massacre of 100 children in the Central African Republic by Emperor Bokassa in 1979. Some were murdered by suffocation in the central prison in the capital, Bangui. Some of the survivors claimed that they saw the emperor inside the prison personally directing and participating in the killings. Another survivor described how a group of 20 boys were taken outside Bangui and killed when stones were dumped on top of them.

Wherever these atrocities occur, it is civilization at its lowest level. The Soviet Union and the Central African Republic have now outlawed such behavior, but in other countries it still persists. Iraq is the worst current case but not the only one. Last year there were well substantiated reports of the torture of children in South African prisons, and more recently there have been similar reports coming out of Turkey.

Without Amnesty International there would have been no exposure of Emperor Bokassa, and he probably would not have been toppled. The French had protected their protégé with a wall of silence, but once the press gave front-page coverage to the Amnesty report they felt compelled to send in the paratroopers to depose him. No one protested against their blatant intervention. Iraq is a harder nut to crack, but we should never give up.

International Herald Tribune.

All rights reserved.

Religious Words, Political Ends on the Subcontinent

By Karan Thapar

LONDON — Perhaps because religion is the opium of the masses it is also a convenient tool of politics. That, at least, is the lesson of recent history on the Indian subcontinent. From the start of this century Indian and Pakistani politicians have exploited Islam and Sikhism to advance their own political causes.

Salman Rushdie's book "The Satanic Verses" has now fallen into this trap. It began when three Pakistani opposition politicians organized a demonstration in Islamabad against the book's publication in the United States. They did so while Prime Minister Benazir Bhutto was in Beijing; their aim was clearly to embarrass her.

As a modern, Western-educated woman, Miss Bhutto has a secular outlook. Demonstrations of Islamic fervor are awkward for her: If she ignores them she can be accused of neglecting Islam, but if she pays them undue attention she may encourage the very sort of fanaticism which says that a woman cannot lead the

government of an Islamic nation. Farook Abdullah, the secular-minded chief minister of India's Kashmir state, where Moslems are in the majority, is also vulnerable to fanaticism. He is a British-trained doctor whose wife, Molly, is English. As Kashmir's first chief minister committed to union with India, he has been accused by Moslems of forgetting their interests.

The opposition factions that organized protests in Kashmir against "The Satanic Verses" knew Mr. Abdullah would be embarrassed. As a Moslem he could hardly defend the book. As an Indian he could hardly condemn the demonstration; that would have meant that Moslems in Pakistan were free to express themselves than their Indian co-religionists.

Thus, what happened in India and Pakistan was merely domestic politics by another name. But because it sparked a deep religious reaction, it

has taken on independent life. People have died in India and in Pakistan, and politicians in Dhaka and Islamabad have called for Mr. Rushdie's sentencing: all over the subcontinent Moslems are furious.

Pakistan has now called for a worldwide ban on the Rushdie book. There is irony in Miss Bhutto, a graduate of Harvard and Oxford, supporting such censorship.

Her plight is mirrored by that of Rajiv Gandhi. Educated at Cambridge and married to an Italian, he admits to agnosticism. In 1984, when he became prime minister, he acknowledged the need to separate religion and politics. But no more.

In 1986, fearing that Indian Moslems might reject their traditional links to his Congress (I) Party, he pushed through legislation denying alimony for divorced Moslem women, though the constitution guaranteed it. Islamic law sanctions only three

For China A Lesser Standard

By Pei Minxin

CAMBRIDGE — The futile determination of Fang Lizhi, China's most respected advocate of human rights, to attend President George Bush's barbecue in Beijing on Sunday had all the elements of tragic farce. For four and a half hours — by car, by bus, by taxi and on foot — Mr. Fang tried to gain entrance to the dinner, clutching his invitation. Each time he was foiled by a Chinese leadership equally determined to stifle democracy. As usual, the United States stood by and did next to nothing.

The best that George Bush could manage was an expression of regret, channeled through his spokesman, Marlin Fitzwater. There was no condemnation, no official protest. This unprecedented event — preventing a guest of a United States president from meeting with him at his invitation — is only the most dramatic example of the persistent abuse of human rights in China.

For the past 14 years the United States has been an acquiescent spectator to human rights violations in China — an attitude markedly different from the one it displays toward the Soviet Union. This double standard has never been more obvious and hypocritical than in the handling of the persecution of Andrei Sakharov and that of Mr. Fang.

The Reagan administration publicly denounced the Soviet Union for forbidding Mr. Sakharov to travel abroad. When George Shultz went to Moscow, he met the physicist as a gesture of American support. Partly because of such pressures, Mr. Sakharov was able to travel to the United States last year.

When Mr. Fang, an astrophysicist, was invited to five American universities last year, he was denied a passport by the Chinese government because he had openly condemned corruption among its leaders. Mr. Sakharov wrote a letter of protest to the Chinese government, but the United States avoided public criticism for fear of hurting U.S.-Chinese relations.

That fear of angering Chinese leaders silenced not only President Ronald Reagan, an ardent anti-Communist, but also President Jimmy Carter, a champion of human rights. Now it has silenced President Bush. As Sunday's events show, that fear is diligently exploited by some Chinese leaders to suppress dissidents with impunity.

The Soviet Union in the post-Stalin era, and particularly under Mikhail Gorbachev, has a much better human rights record than China under Deng Xiaoping. Scores of political prisoners remain in camps in the Soviet Union, but hundreds languish in Chinese jails. Soviet citizens now enjoy a significant degree of freedom of speech under glasnost, but not the Chinese under *kai-fang* — the Chinese word for glasnost. Mr. Fang's political writings are banned, for example.

The fear of jeopardizing U.S.-Chinese relations is exaggerated. Consistent American pressure would scarcely drive the Chinese into "the arms of the Russians," even with the warming of their relations.

Maintaining good relations with America actually means more to China than it does to the United States, particularly since U.S.-Soviet relations have improved significantly. China knows it has the most to lose should it undermine Chinese-U.S. relations by alleging interference in its internal affairs.

Thus it is appalling — and ominous — that the new administration was immediately intimidated. Secretary of State James Baker quickly excused the bombing as "quiet diplomacy." Brent Scowcroft, the national security adviser, first said he didn't know what was going on and then later said the president hoped that all his invited guests would be able to come to his parties. Worst of all, after General Secretary Zhao Ziyang harshly warned Mr. Bush against publicly supporting human rights, the president said nothing and never once uttered the words "human rights" throughout his visit.

If the events of the past few days are any indication, the Bush administration's commitment to freedom and democracy will be selective. Human rights activists in China can take only slight comfort from Mr. Bush's parting gesture: He sent his ambassador in Beijing to reiterate his regret that "somebody whom he had invited to a banquet he had hosted was unable to come."

The writer, a student of government at Harvard University, contributed this comment to The New York Times.

100, 75 AND 50 YEARS AGO

1889: Fierce Floral Fight

NICE — The fiercest fight with flowers ever witnessed in Nice took place today (Feb. 28). For three hours two thousand warriors flung bouquets at each other until their gaily decked chariots, and ten thousand folks looked admiringly on from their windows, balconies and tribunes. There has never been so great a crowd at any previous fête. The weather was beautifully fine and the route bright with burning. Two bands, those of town and of the United States flag-ship Lancaster, played lively music, and the scene presented on the promenade was most brilliant and gay.

1914: End of Coal Strike

PARIS — Signs were evident yesterday (Feb. 28) that the French coal miners' strike is nearing its end. The men's syndicate in various districts having decided in favor on resumption of work. Owing to the lack of coal at Saint-Etienne, several fac-

ories have closed until further supplies are received from abroad.

1939: Protest in Poland

WARSAW — Scores of students were injured today (Feb. 28) in anti-German rioting. German minority newspapers were confiscated by police, the Nazi Brown House was raided. The rectors of Warsaw University appealed to the Foreign Ministry to ask the Nazi government to protect the lives of Polish students in Poland. At a mass meeting at the university, Polish students read telegrams from German mobs and that the Polish student house was under siege. Led by a thousand students, a crowd of 15,000 Poles shouting "Down with Hitler!" "Down with Germany!" "Danzig to Poland!" marched to the Foreign Ministry, the Parliament and the German Embassy, frequently scuffling with cordons of Warsaw police who attempted to disperse them.

APRIL 1989

OPINION

A Link Between the Hostage and the Author

By A. M. Rosenthal

NEW YORK — Four years ago, three foreign correspondents and an editor of The New York Times met in Amman to talk about coverage of the Middle East.

The reporters had come from Jerusalem, Cairo and Beirut. As soon as the correspondent from Beirut arrived, the editor took him aside. He told him the paper had decided it was too dangerous for an American correspondent to stay in Lebanon and was going to pull him out, immediately.

Americans had already been taken hostage in Beirut. There was fear in the

of the 14 hostages remaining in captivity are injured.

Syrian soldiers patrol some of the streets and towns where the hostages are imprisoned. Instead of constantly, fruitlessly courting Syria, the West should be using all its economic and political power to force President Hafez Assad to help free the hostages.

One Russian was taken prisoner in Beirut — one Soviet agent promptly seized and killed a brother of one of his terrorist kidnappers. They got their man back at once.

The government of Mikhail Gorbachev is silent about Mr. Rushdie. And it chooses this very moment to send Foreign Minister Eduard Shevardnadze to Tehran to gaze admiringly into Ayatollah Khomeini's eyes. Mr. Shevardnadze eagerly told the ayatollah that conditions were now ripe for better Soviet-Iranian relations.

This was a direct slap in the face to every Western country, most particularly the United States. But we do have another check.

American writers have strongly condemned the death threat to Mr. Rushdie, good. But the Anderson case never

quite caught the imagination of writers and other intellectuals in the United States or abroad, and they did not do much about it.

Even after the kidnapping of Mr. Anderson, a peculiar little collection of American and British journalistic writers busied themselves proclaiming that the idea of terrorism was a creation of conservative American and Israeli propagandists.

They liked Mr. Rushdie's own sharp criticism of Britain and the United States, so the terrorist threat to his life shook them. Soon they will regroup and figure out how the threat is all the fault of Americans and Israelis, but nobody will care.

No medals for anybody — not the press, which allows Mr. Anderson and the other hostages to slip from mind; nor craven Western governments eager for trade with those countries responsible for the captivity of the hostages; nor the Kremlin, behaving with predictable opportunism, nor Third World nations that slam away at the United States but cringe at criticizing the ayatollah, Mr. Assad and other masters of terrorism.

No medals, but at least the connection is clear — Terry Anderson, Salman Rushdie and us.

The New York Times.



Inquisition at the Airport: Welcome to Fortress 1992

By Nalini Singh

NEW DELHI — "Stand up straight." I coax myself, "nothing will happen." But my knees turn to water. Then it's my turn beyond the yellow line.

"Who invited you to this country?" demands the immigration officer at London's Heathrow airport. His question lodges like an arrow in my vocal chords.

"I am a tourist," I say in a small voice. His gaze rests on my sari, a garment he doubtless associates with India's "underfed hordes."

"What is your salary? Do you have any money to spend here?" he asks loftily.

"Yes, my government allowed me

... I don't join a queue with other Filipinos, because I'll be associated with their "motives." It kills me to disown them, but it's the best expedient."

A Thai friend says, "At JFK I go to a black or Hispanic immigration officer. They are less rude."

Most of us Asians look upon the inquisition at Western airports with resigned tolerance. We understand that industrialized countries want to build walls against invading Asians and Africans.

But now we are speeding to 1992, when a Single Act will unite 12 EC countries into a free-access zone. For EC citizens, travel procedures will be less complicated than they have been for hundreds of years.

For non-EC citizens, there are ominous signs already. Britain introduced visa requirements in late 1986 for visitors from India, Pakistan and Bangladesh, and Ireland followed in 1988. France has revoked its visa waiver for several Asian and Middle Eastern countries. West Germany, France, the Netherlands and Britain also canceled the facility of visa-on-arrival for Asian passengers in transit.

"We've got to start fortressing the soft borders, like France, where a lot of illegal immigration takes place," confides a European diplomat in Delhi. "After '92, an illegal migrant will have the run of the entire EC territory. We can't allow that."

I like his candor. He doesn't offer the official EC explanation that the changed procedures accompanying 1992 will facilitate travel by Asians and Africans to Western Europe. For instance, Britain claims that its new DNA testing technique to test genetic relationships will assist entitled immigrants. But the immigration officer will still use arbitrary judgment to assess characteristics such as "criminal tendencies."

Machine-readable passports and visas will not establish legal access of visa holders to Europe. They will only reduce the queues of incoming passengers at immigration counters.

If indeed the Western world intends to facilitate travel for all international travelers, this year they will start training incoming passengers in the mechanized procedures and techniques.

Recently, Calcutta's streets had an inquisitive night visitor, Jack Lang, France's dynamic minister of culture and communications. He made a private visit to noted classical musicians.

"It's such a sophisticated culture," he said spontaneously. "There must be more exchange between us."

"But Europe is insulating itself," I shot back. "What'll happen in 1992?" After a moment he said, "I really can't say. Nobody knows." And then he was silent.

Anybody out there willing to break the silence?

International Herald Tribune.

ON MY MIND

New York office that an American journalist might be the next target for kidnapping or assassination.

The correspondent protested that there were still stories to be done in Lebanon, but the editor said the decision was firm.

The next morning the journalists — I was the editor involved — got word that Terry Anderson, the correspondent for The Associated Press, had been taken hostage on a street in Beirut. We all knew that had we not happened to be meeting in Amman that day in March 1985, the victim might have been our own man from Beirut, instead sitting there at breakfast.

After Mr. Anderson was kidnapped, virtually all Western correspondents left Beirut. The stories appearing in the Western press from Beirut are by stringers, mostly Middle Eastern journalists residing in the city. Some are men of integrity and courage, but they cannot be expected to dig deeply into terrorist groups or other death-warrant topics.

Mr. Anderson is still a prisoner. There is a connection between Terry Anderson and the story of Salman Rushdie. If the rest of the world had acted with more determination and less hypocrisy on behalf of Mr. Anderson and the other hostages, Mr. Rushdie might not have to hide, fearful forever of being murdered.

The West pretends it does not know the truth — that the kidnappers act under instructions or with the cooperation of Iran, Syria, Libya and some of the Palestinian groups.

Iran hardly bothers to pretend otherwise. Yet it was not until the threat to Mr. Rushdie that the West European nations took even the minimal step of withdrawing their envoys from Tehran.

The only step that would mean anything would be a sea and air blockade of Iran, accompanied by the warning of bombardment of military targets if any

Why Israeli Troops Fire

Regarding "How to Deal With Rioters" (Letters, Feb. 16):

Niall MacDermot's description of Israeli soldiers as using "lethal weapons against stone-throwers" who are described as "mostly children and youths" is highly disingenuous. It suggests squads of soldiers using firearms against children tossing pebbles about.

The true situation is small groups of soldiers, or civilians, or vehicles, being set on by gangs hurling large rocks, iron bars and gasoline bombs. These can kill and have done so; their intent, far from innocent, is to maim and kill.

Against such attacks, the means described by Mr. MacDermot — helmets and plastic shields — are largely irrelevant. Batons, tear gas and plastic bullets, on the other hand, are indeed used where appropriate. But in extreme, life-threatening situations there is no alternative to the use of other means.

The exercise of self-defense in such a way by Israeli soldiers is not disproportionate, and therefore not illegal.

PINHAS ELIAV,
Permanent Representative of Israel
to the United Nations Office, Geneva,
Cointin, Switzerland.

Black Americans in Africa

Regarding "Yes, Blacks Are Different: They Aren't From Europe" (Meanwhile, Feb. 9) by Courtland Milloy:

Mr. Milloy supports Afro-centricity, quoting Fredrick Phillips' definition of it as "incorporating the thinking, perceptions, priorities and values of African people into our education." He particularly supports Mr. Phillips' contention that "it begins to let us know that we, as black Americans, are normal in the context of African people." These ideas have romantic appeal, but they are unrealistic. They negate the degree of cultural assimilation that has taken place in the United States.

During a three-year stay in Zambia, I asked several black Americans about their reactions to Africa and Africans. Without exception, they spoke of feeling much more American than they had before arriving in Africa and observed the wide cultural gap between Africans and themselves. Zambians, for the most part, tended to perceive black Americans in the same way as white Americans, noting that they were not really black in color, nor were they African in any cultural way.

Certainly, school curricula should include the study of the peoples and cultures of Africa, just as the study of the peoples and cultures of Mexico should be included. And steps should be taken to preserve the cultural histories of America's diverse ethnic groups. But the time has come to recognize the commonalities of Americans of different origins, and to build on that strength.

CHRISTINA HYVITFELDT,
Petaling Jaya, Malaysia.

Not Right for Everyone

In response to "For New 'erry' Iggins, Accent Does Matter" (Jan. 31):

The concern about sounding "right" is symptomatic of a deeper malaise of English society, the concern for appearances over realities, for wearing the right uniform, "U" and "non-U."

I am not surprised, for it is quite in keeping with the spirit of the age, that we should be encouraged to discard perfectly comprehensible and serviceable forms of speech in order to kowtow to the ethos for which Received Pronunciation is the shibboleth. It is the ethos of powerful people who are where they are because they went to the right universities and knew the right people.

As a Scot, a linguist and a libertarian democrat — and therefore a nonmember of the club — I find any expectation that I should speak Received Pronunciation obnoxious.

EDWARD FREEMAN,
Divonne-les-Bains, France.

The Strength of the Tail

Regarding the report "In America, a Lie Usually Beats the Gun Laws" (Jan. 20):

For years I have been an enthusiastic outdoorsman. I enjoy hunting enormously and own a collection of beautifully crafted guns. But as an American I am appalled by U.S. attitudes on gun control, particularly those of the National Rifle

Association. Politicians who lack the strength of character to stand up to the NRA must take the blame for the spread of dangerous weapons and the killings that ensue. We should all be required to register our guns. Sales should be permitted only after a careful background check of each would-be purchaser. Violators should be prosecuted.

JOHN F. MAGAGNA,
Jakarta.

The growing danger to policemen on the job, to civilian bystanders, even to schoolchildren at recess makes the fervent clinging to "gun rights" — by the NRA, hunters and President Bush — smack of disregard for human life. It would be to their honor if gun-owning sportsmen would submit to more reasonable controls on behalf of an increasingly endangered public.

WINSTON A. SAUNDERS,
Lausanne.

America, your affair with drugs and guns is more than just a frightening side show — it is the disease that will finish you. Coming from Toronto, I find it stunning that any reprobate in the United States with the requisite amount of cash can be the proud owner of a shiny new assault rifle. The right to bear arms is an anachronism; the NRA is an inappropriate tail for the wagging of such a dog as the United States.

TIMOTHY GODSALL,
Paris.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

22 Hurt In Israeli Attacks

Palestinian Bases In Lebanon Hit

By Ihsan A. Hijazi

BEIRUT — Twenty-two school children were injured Tuesday when Israeli Air Force jets attacked Palestinian guerrilla targets in the Chouf mountains a few miles southeast of Beirut, the police said. They added that an air-to-surface missile hit a schoolyard at Ainab during an air strike against a base belonging to the Democratic Front for the Liberation of Palestine, a Marxist faction, in the neighboring mountain resort of Chemlani.

Three persons were killed in the 20-minute raid, the police said. The wounded children are between the ages of 5 and 10.

An Israeli military spokesman quoted by the state radio monitored in Beirut said the planes hit guerrilla positions used for staging attacks against Israel.

Tuesday's was the third Israeli air strike against Palestinian guerrilla bases in Lebanon this year. It came after hard-line Palestinian guerrillas and their Lebanese leftist allies have escalated their attacks against Israeli troops and their Christian militia allies in south Lebanon in an apparent defiance of orders for calm issued by Yasser Arafat, chairman of the Palestine Liberation Organization.

Israel has stepped up its reconnaissance activity to head off cross-border operations by PLO forces, according to security sources and reports in the Beirut press. At the same time, the Israeli Air Force has increased its flights over Syrian military positions in eastern Lebanon.

On Thursday, three guerrillas from the Democratic Front were killed inside the so-called "security zone" maintained in south Lebanon by Lebanese Christian troops with Israeli support. Eighteen days earlier, the Israeli-backed forces killed four Palestinian guerrillas who were trying to infiltrate into northern Israel.



President Bush on his way back home aboard Air Force One.

Jaruzelski Warns Poles Army Will Halt Protests

By Jackson Diehl

Washington Post Service

WARSAW — General Wojciech Jaruzelski has declared that Poland's stability has been "dangerously worsened by a festival of strikes and protests," and has warned that the army is prepared to ensure that the country "will not be pushed from socialism's road."

The speech by the Polish leader, before a meeting of army officers Monday in the town of Bydgoszcz and prominently reported Tuesday in the state press, followed violent student demonstrations in Krakow last week.

It appeared designed to reassure the Communist Party's security ap-

paratus as well as remind Poles of the 1981 imposition of martial law that suppressed the Solidarity union movement.

He said that "the fact that I state this just at this place and just at this time" at a military gathering "will also be a warning."

But he praised the negotiations that, entering their fourth week, appear to have made significant progress toward a broad political pact that would legalize Solidarity. General Jaruzelski said he was "an advocate of reacting with patience and understanding to the emotions of young people."

"However, there are certain limits and they must not be exceeded," he said.

Hinting of a crackdown, he added that "the ministers of national education and of internal affairs should draw appropriate conclusions."

The statement, his most important since the start of the round-table talks, coincided with a major government propaganda campaign against demonstrations.

A government statement Monday night accused students of "anarchism, anarchy and symptoms of terrorism," and said that leaders of the Students' Union, which also was banned in 1981, must repudiate these acts if they wished to win legalization. Lech Walesa, the leader of Solidarity, appealed to students to "go on with your studies."

One militant opposition group, the Confederation for an Independent Poland, has yielded to Solidarity's appeals and declared a one-week moratorium on street demonstrations. The group's national leader, Leszek Moczulski, said Tuesday in Warsaw that the moratorium had been accepted by the students in Krakow.

"The demonstrations have stopped, but we can begin them again" next week, he said. General Jaruzelski said that steps against "noisy, confrontational and anarchy-prone" politics must be combined with decisive action to halt soaring inflation that he blamed on "price robbery" by inefficient producers and "wage blackmail" by striking workers.

He also delivered a strong, veiled criticism of Communist Party hard-liners, including activists of the Communist-backed trade unions who have battled his move toward an accord with Solidarity.

NATO Exercise in Norway

OSLO — A North Atlantic Treaty Organization exercise involving 17,000 troops has started in northern Norway and is scheduled to last until March 22, Norwegian defense officials said on Tuesday.

Jet-Lag Diplomacy Tarnished Bush Trip to Asia

By R.W. Apple Jr.

New York Times Service

WASHINGTON — As President George Bush stumbled through a speech to the National Assembly in Seoul on Monday, speaking of "the last members of the Olympic flame" instead of "last embers," and uncharacteristically mangling other parts of his text, some may have wondered whether the president was wise to undertake a grueling trip to Asia with his administration still in its formative stage.

Such an exercise in jet-lag diplomacy inevitably exacts a physical and psychological toll, even on the fittest and most vigorous people, and it is much worse when they have to keep looking back over their shoulders at the problems pursuing them.

"It feels more like a campaign trip, improvised as we go along, than a serious foreign-policy enterprise," a staff member said in Beijing.

Mr. Bush and his aides clearly think it worthwhile, at least at this early stage of his presidency, to race from country to country at breakneck speed, showing the flag and spreading reassurance.

Secretary of State James A. Baker 3d "did" 15 countries of Western Europe in only a few days, and now Mr. Bush has "done" northeast Asia (and met with the leaders of a dozen other countries) in less than a week.

For what? Before Mr. Bush left Washington, his national security adviser, Brent

NEWS ANALYSIS

A. Scowcroft, said the president had new proposals for some of the people he would meet.

If he made them, he made them in secret, because there was not even the smallest surprise in anything that Mr. Bush or any aide reporting on his activities had to say.

Perhaps because Presidents Gerald R. Ford, Jimmy Carter and Ronald Reagan traveled at a more measured pace, with Mr. Reagan often heading for foreign engagements several days early to give his body time to adjust, Mr. Bush's schedule seemed frantic.

Among old-timers in the traveling party, the helter-skelter quality of the trip recalled the presidencies of Lyndon B. John-

son and Richard M. Nixon, when Air Force One was a shiny new toy in which to stage dramatic dashes around the world. After several 20-hour days, fighting a 14-hour time difference with Washington, Mr. Bush reported himself as frisky as a colt, but his associates made no effort to hide their fatigue.

There is no proof, of course, that Mr. Bush or members of the White House staff made questionable decisions because they were moving too fast and resting too little. But the signs of raggedness were there.

Why, for example, when it discovered on arrival in Tokyo on Thursday night that Mr. Tower was in deeper trouble than previously apparent, did the White House staff not ask the Senate Armed Services Committee to postpone its vote until the president returned to Washington?

Why, to cite another episode, did the White House not more carefully plan the handling of the dinner invitation to Fang Lizhi, the rights campaigner whom the Chinese police prevented from reaching the Great Wall Sheraton Hotel, where the dinner was held?

Why, once again, did Mr. Bush fail to forcefully raise, after pledging to do so, the question of human rights in his lengthy meetings with the four key members of the Chinese leadership?

An oversight? Inadequate organization?

Or does he really think, as his spokesman, Martin Fitzwater, explained 24 hours after the fact, that human rights is better discussed in private, without publicity?

That view, if the president indeed holds it, will not do him much good with the conservatives he has so avidly cultivated.

Mr. Bush has revealed in favorable comparisons with his predecessor, for his appointments of experienced government hands rather than ideologues to vital jobs.

Yet, the trip had its benefits. Even if little of substance was discussed, the Japanese were grateful for Mr. Bush's presence at the emperor's rites, and even if things went awry, the Chinese obviously relished the president's effort to define a "special relationship" between Washington and Beijing, and they obviously like the Bushes.

Serbs Protest East Germans Dismiss Separatism A Soviet-Style Renewal

By Henry Kamm

New York Times Service

BELGRADE — The leading theorist of the East German Communist Party has rejected a political and economic renewal in line with Mikhail S. Gorbachev's restructuring in the Soviet Union.

The theorist, Otto Reinhold, rector of the Academy of Social Sciences of the party's Central Committee, made the rejection in unequivocal terms and affirmed faith in the policies pursued by the leadership under Erich Honecker.

Mr. Reinhold's statement, which is clearly the stand of the Honecker leadership, was published in the Deutsche Literaturzeitung, a weekly for teachers, about three weeks ago.

"At present," Mr. Reinhold said, "there is a discussion among social scientists in Socialist countries as to whether there are not in socialism differences in pace of development characterized by periods of stagnation and periods of basic restructuring prophecies. We reject such a concept."

East German leaders have said in the past that they saw no need for introducing the Gorbachev programs of openness and economic rebuilding in their country, but they have refrained from criticizing the Soviet policies.

The chief Politburo ideologist, Robert Hager, has summed up the leadership's position by saying there was no need to reappear one's walls just because a neighbor was doing so.

Erich Hahn, a fellow member of the Central Committee and director of the Academy's Institute for Marxist-Leninist Philosophy, expressed surprise at the categorical tone of Mr. Reinhold's statement.

Mr. Reinhold justified his views by asserting that for many years the leadership carried out a policy stressing the unity of economic and social measures. "Everywhere where this inseparable connection between economic and social policy was not achieved, as in Poland, Hungary and the Soviet Union, this led to stagnation, contradiction and symptoms of crisis," he said.

Mr. Reinhold said East Germany's economy was so much more vibrant than the Soviet Union's that the need for renewal did not exist. He said Moscow conceded that its economy had stagnated for more than a decade.

Chinese Leader to Visit Japan on Trade in April

According to this week's film guide, one of the films, "The Commissar," is now being shown at a theater in East Berlin. Sources said the ban was imposed because the East Germans felt that some of the films distorted history.

East Germany has started to screen Soviet films it banned in November, Reuters reported from East Berlin.

According to this week's film guide, one of the films, "The Commissar," is now being shown at a theater in East Berlin. Sources said the ban was imposed because the East Germans felt that some of the films distorted history.

East Germany has started to screen Soviet films it banned in November, Reuters reported from East Berlin.

According to this week's film guide, one of the films, "The Commissar," is now being shown at a theater in East Berlin. Sources said the ban was imposed because the East Germans felt that some of the films distorted history.

East Germany has started to screen Soviet films it banned in November, Reuters reported from East Berlin.

According to this week's film guide, one of the films, "The Commissar," is now being shown at a theater in East Berlin. Sources said the ban was imposed because the East Germans felt that some of the films distorted history.

East Germany has started to screen Soviet films it banned in November, Reuters reported from East Berlin.

According to this week's film guide, one of the films, "The Commissar," is now being shown at a theater in East Berlin. Sources said the ban was imposed because the East Germans felt that some of the films distorted history.

East Germany has started to screen Soviet films it banned in November, Reuters reported from East Berlin.

According to this week's film guide, one of the films, "The Commissar," is now being shown at a theater in East Berlin. Sources said the ban was imposed because the East Germans felt that some of the films distorted history.

East Germany has started to screen Soviet films it banned in November, Reuters reported from East Berlin.

According to this week's film guide, one of the films, "The Commissar," is now being shown at a theater in East Berlin. Sources said the ban was imposed because the East Germans felt that some of the films distorted history.

East Germany has started to screen Soviet films it banned in November, Reuters reported from East Berlin.

According to this week's film guide, one of the films, "The Commissar," is now being shown at a theater in East Berlin. Sources said the ban was imposed because the East Germans felt that some of the films distorted history.

East Germany has started to screen Soviet films it banned in November, Reuters reported from East Berlin.

According to this week's film guide, one of the films, "The Commissar," is now being shown at a theater in East Berlin. Sources said the ban was imposed because the East Germans felt that some of the films distorted history.

East Germany has started to screen Soviet films it banned in November, Reuters reported from East Berlin.

According to this week's film guide, one of the films, "The Commissar," is now being shown at a theater in East Berlin. Sources said the ban was imposed because the East Germans felt that some of the films distorted history.

East Germany has started to screen Soviet films it banned in November, Reuters reported from East Berlin.

According to this week's film guide, one of the films, "The Commissar," is now being shown at a theater in East Berlin. Sources said the ban was imposed because the East Germans felt that some of the films distorted history.

East Germany has started to screen Soviet films it banned in November, Reuters reported from East Berlin.

According to this week's film guide, one of the films, "The Commissar," is now being shown at a theater in East Berlin. Sources said the ban was imposed because the East Germans felt that some of the films distorted history.

East Germany has started to screen Soviet films it banned in November, Reuters reported from East Berlin.

According to this week's film guide, one of the films, "The Commissar," is now being shown at a theater in East Berlin. Sources said the ban was imposed because the East Germans felt that some of the films distorted history.

East Germany has started to screen Soviet films it banned in November, Reuters reported from East Berlin.

According to this week's film guide, one of the films, "The Commissar," is now being shown at a theater in East Berlin. Sources said the ban was imposed because the East Germans felt that some of the films distorted history.

East Germany has started to screen Soviet films it banned in November, Reuters reported from East Berlin.

Konrad Lorenz Dies; Ethologist Won Nobel

The Associated Press

VIENNA — Konrad Lorenz, 85, the Austrian zoologist who founded modern ethology and won a Nobel Prize for his pioneering studies of human and animal behavior, died Monday of kidney failure in Altenburg, northeast of Vienna.

In 1973, his studies on the organization of individual and group behavior patterns won him the Nobel Prize in Physiology or Medicine together with Karl von Frisch and Nikolaas Tinbergen.

When accepting the award, he apologized for a 1940 publication judged to reflect Nazi views of science, saying that "many highly decent scientists hoped, like I did, for a short time for good from National Socialism, and many quickly turned away from it with the same horror as I."

In 1941, Dr. Lorenz was drafted. He was captured by the Russians in 1944 and spent four years as a POW, a time he described as "midway between being a teacher, a cleric, a clown and a soul searcher."

He had turned to research in animal behavior shortly after obtaining his medical degree in 1933. He had become an animal lover as a child, collecting a variety of animals at his home outside Vienna.

The collection included fish, dogs, monkeys, insects and especially ducks and geese.

His first important findings con-

cerned the social life of birds. Those studies convinced him that many aspects of their behavior were innate and instinctive, rather than learned.

His views were controversial, and they became even more so when he suggested that such instinctive behavior might be important in humans, too.

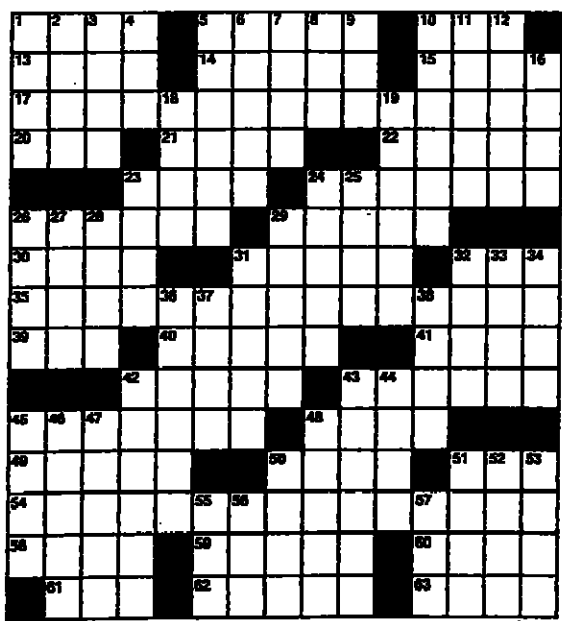
He published dozens of books. Several became best sellers in English, such as "King Solomon's Ring" in 1952 and "Man Meets Dog" in 1954. His most controversial was "On Aggression" in 1966, in which he asserted that aggressive impulses are to some degree innate, drawing on analogies between human and animal behavior.

Other books included "The Eight Deadly Sins of the Civilized World," "The Decay of the Human," and "The Evolution of Thought."

Dr. Lorenz was known above all for his discovery of a process known as imprinting, or the rapid learning process that occurs in early childhood, bonding animals to their biological mothers.

But he demonstrated that mallard ducklings, for example, would happily follow a human who greeted them shortly after birth and imitated quacking. His detailed studies of geese especially led him to some penetrating and often gloomy conclusions about humanity.

His first important findings con-



© New York Times, edited by Eugene Malachuk.

- | | | |
|-----------------------------|---------------------------------|------------------------|
| 1 D.D.E.'s command | 23 Foot trail | 38 Sunbathers' goals |
| 2 Boston's Browning | 24 "Boston's Browning" | 42 Takes to the podium |
| 3 Basic spirit of a culture | 25 Netherlands river | 43 Not so important |
| 4 Not that | 26 Landlord's concern | 44 Selves |
| 5 Decimal-system base | 27 Aroma | 45 Nautical term |
| 6 B.P.O.E. member | 28 Locale | 46 Ties to a pier |
| 7 Rich furs | 29 Long look of hair | 47 Game of chance |
| 8 To have, in Le Havre | 30 See eye to eye | 48 Swindle |
| 9 Road-map | 31 Guitard Atkins | 49 Wound memento |
| 10 Tortoise's adversary | 32 Privacy | 50 Sicilian volcano |
| 11 Road-map | 33 Jacob's twin | 51 Jacob's twin |
| 12 "Deutschland" allies | 34 Metal bars | 52 Health resort |
| 13 Scandinavia | 35 Scandinavian goddess of fate | 53 Slip |
| 14 Hope to achieve | | 54 Poie |

- ACROSS**
- Tardy
 - Davis or Midler
 - Kind of iron
 - "Thanks"
 - A Kennedy
 - State positively
 - Start of a question to a cleric
 - Affirmation
 - Sometime business abbr.
 - Cut the cake
 - Canots' companions
 - Electric-current units
 - Set of prayer beads
 - Massenet opera
 - Emend
 - Full of sound
 - Greek letter
 - More of the question
 - Three, in Torino
 - Scandinavian
- DOWN**
- Luck or Bountiful
 - Medicinal plant
 - "in the Attic": Hellman
 - Plane or space preceder
 - Grimm villains
 - Of the pre-Easter season
 - Tree with a red bark
 - Mariene's are famous
 - Undersea prowler
 - Middling
 - View
 - End of the question
 - Rice liquor
 - Babble
 - Turner or Cantrell
 - Auth's offerings
 - Suit for Galahad
 - Herr's spouse

Solution to Previous Puzzle

SHAVE	ACCT	UNTO
CAMEL	SLOE	NEER
ADORE	FIRSTNOEL	
MARIMBA	ETIENNE	
GODBY	ETES	ODINE
ORA	SEAL	LENIN
DANCE	SEE	ADAGE
INTOA	OVER	NER
STUNG	ASIS	HERO
FIRSTLADY		
ASSURES	NURSING	
FIRSTBASE	ASTER	
ALAE	EYES	BOSSA
ROSS	LISTS	SPOTS

CARACAS: 50 Die in Riots

(Continued from page 1)

national guard troops in armored cars after the soldiers began firing birdshot and tear gas at looters.

A 32-year-old pregnant woman who was not involved in the rioting was shot and killed, and scores of people were wounded, a local journalist said.

Rioters and looters in the shantytown emptied dozens of stores and supermarkets and set at least 14 vehicles ablaze.

Residents in San Agustín del Sur took over the Francisco Fajardo highway, the city's main artery, on Monday. They fought a battle with police that began with rocks and tear gas and ended with gunfire from both sides.

Officially, bus fares were to rise about 30 percent. But the transportation minister, Gustavo Rada, said Tuesday that some increases have been as high as 50 percent, apparently because of price gouging by bus drivers.

The country's \$33 billion foreign debt is the fourth-largest in Latin America. This week, Venezuela is to sign a \$1.5 billion credit with the International Monetary Fund.

"The last time I saw this was the 23rd of January, 1958, the fall of the dictator," said German Guedes, an old man, pulling on a new pair of shoes inside a building as firing persisted outside.

(AFP, Reuters, AP)

Towns on Adige Renew Warning on Tap Water

The Associated Press

ROVIGO, Italy — Mayors of 24 towns along the Adige River renewed warnings on Tuesday not to drink from the tap because local water supplies have been contaminated by toxic chemicals, including benzaldehyde, toluene and xylene, discharged by factories.

An estimated 150,000 people in the area, 56 kilometers (35 miles) southwest of Venice, have been without potable tap water since Sunday. Residents have had to stand in long lines at mobile tanks set up by the army and municipal authorities to get water for drinking and cooking.

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Now Printed in New York For Same Day Service in Key American Cities.

To subscribe call us toll-free in the U.S.:

1-800-882-2884.

(In New York, call: 212-752-3890.)

Or write: International Herald Tribune, 850 Third Avenue, New York, N.Y. 10022.

Or Telex: 427175. Or Fax: 212-755-8785.

ESORTS & GUIDES

INTERNATIONAL ESCORT SERVICE

Head office in New York 330 W 56 St NYC 10019

212-765-7896

212-765-7754

MAJOR CREDIT CARDS AND CHECKS ACCEPTED

LONDON

Portman Escort Agency

100 Portman Square, London W1

Tel: 485 3724 or 485 1188

All major credit cards accepted

LONDON

KENSINGTON

10A Kensington Church St, W8

Tel: 927 9134 or 927 9133

All major credit cards accepted

MERCED

V.I.P. CLUB

4 PM TILL MIDNIGHT - 7 DAYS

MAJOR CREDIT CARDS ACCEPTED

(01) 235 0069

SHADOWS

ESORTS & GUIDES

ESORTS & GUIDES

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

ESORTS & GUIDES

ARISTOCATS

London Escort Service

3 Shaftesbury Street, London W1

Tel: 01-250 0070 (8 LINES)

12 noon - midnight

CAPRICE-NYC

ESORTS & GUIDES

ESORTS & GUIDES

ESORTS & GUIDES

ARTS / LEISURE

'Cats' May End Jinx on Musicals in Paris

By Thomas Quinn Curtiss

International Herald Tribune

PARIS—"Cats," the Andrew Lloyd Webber musical that since its 1981 London premiere has been reproduced in New York, Tokyo, Vienna, Budapest, Hamburg and Amsterdam to similar success, has come at last to Paris.

The French capital is seldom pleased with song-and-dance shows from London or Broadway. It has turned thumbs-down on such famed frolics as "Annie Get Your Gun," "The Boy Friend," "Fiddler on the Roof" and "Sweet Charity." Local impresarios have been so reluctant to import more of them that "My Fair Lady" is yet to be seen on the Parisian boards.

"Cats," which seems to bring good luck with it, appears to be an exception and the heavy roasting of approval the first-nighters gave it at its opening at the Théâtre de Paris last week hints that the seeming jinx on spectacles of its genre may have been broken. Submitted for the judgment of Paris, it has been awarded the golden apple.

The French version by Jacques Marchais is uncommonly adroit. It preserves the full flavor of the original's lyrics, derived from T.S. Eliot's "Old Possum's Book of Practical Cats," and set to Lloyd Webber's tumultuous score. The alterations of the adaptation are slight and bright. The greedy tabby of dandy aspect who boasts of dining in Mayfair's gourmet haunts now tells of frequenting Fouquet's. By implication the shadowy junkyard where after dark cats convene may be closer to Montmartre's Butte than to the back alley of Covent Garden.

Into the spectacle's chowder have gone varied ingredients: the jubilation of a farce; something of the British Christmas pantomime; a soupçon of mystical ritual, suggestive of "The Lord of the Rings"; astonishing surprises; a fillip of robust comedy; a slice of light opera sentiment, and an abiding zest and sense of excitement.

The presentation by the U.S. producer, Mel Gussow, in conjunction with Hubert Aghak and the Carré theater of Amsterdam, is superb. Howard, reversing

the customary process, organized an American revue in Paris, "Black and Blue," two seasons ago and has taken it to New York where it is now a resounding hit. Howard and his staff have reconstructed the 98-year-old Théâtre de Paris to serve as the fantastic catland. Its curtainless performing platform is occupied by the rubbish dump littered with refuse under an expansive night sky lit by an incandescent moon. In the auditorium's darkness phosphorescent replicas of cats' eyes gleam and psychedelic beams flash. Members of the cat chorus prowl the aisles to flirt with spectators and the august white-bearded monarch of the realm, Mathusalem, parades, while principals perch occasionally on the rim of the balcony.

The direction and the choreography by Gillian Lynne animates all that happens and some after scene wins applause, from the tap ensemble, soon after the start, to the majestic finale, in which the tattered stray who laments to the moon her unhappiness on this earth is escorted to a spaceship by the imperious Mathusalem to fly off into the catosphere to find a better world.

The impressive tableaux are the ball of velvet paws; the battle of the Pekingese with the bad boys, the last stand of the braggart, Matamore, who is slain by a savage pirate crew; the parody of Italian operatics, a Lloyd Webber penchant; the arrival of the cat wizard, Mephistopheles, who brings peace and optimism to the troubled cat community.

The entire company must share in the success. Among the outstanding performers are Frédéric Norbert as Rocky Tam-Tam; Gay Marshall as Grizabelle; Tibor Kovacs as the quicksilver Mephistopheles; Gilles Ramade as the prophet Mathusalem who at the last moment throws pomposity to the winds and does a circus clown somersault in an ecstasy of joy; Matthew Jessner as Monkeystrap and Anne-Marie Ohlricher as the wistful kitten with her touching song of her woes and hopes.

The dazzling energy, charming playfulness and imagination of this musical feline fantasy is irresistible.



Tom Moran

In New York, Playwrights Dish Out Thought for Food

By Mel Gussow

New York Times Service

NEW YORK — Although the current theatrical season has not yet provided much food for thought, it has given considerable thought to food.

On stages all over New York, breakfast, lunch and dinner are being served along with beer, wine, schnapps, tea in a glass and blue tropical drinks with or without tiny umbrellas.

Caterers and chefs should demand program credit. It has almost reached the point where one cannot tell a show without a menu.

The obsession reflects the interests of a public that is captivated by the theatricality of the dining experience, by designer restaurants where presentation is as important as the food.

People demand sizzle in their *jugos* — show business for the money. In the theater, it may be an attempt to win back an audience that prefers to spend its entertainment dollar (or \$100) eating rather than watching.

Both "Tamara" and "Tony 'n' Tina's Wedding" capture two segments of the population by serving dinner along with drama.

In the other examples of theater of food, the theatergoer becomes a voyeur. Only the aroma passes his way.

The daily special in the trendy cafe in Richard Greenberg's "Eastern Standard" is grouper tortellini. While waiting for her swordfish without butter in the equally upscale restaurant in Wendy Wasserstein's "Heidi Chronicles," a character concentrates on the power side of her power lunch.

Everything from tuna melt to keep lasagna is tossed into the comedy wok at "The Kathy and Mo Show: Parallel Lives."

Bill Bozzone's one-act, "Good Honest Food" takes the audience into the world's dingiest coffee shop, where insults are the *plat du jour* and the customer is always wronged.

The carder waitress worries only that a diner may prove to be a critic from Gourmet magazine. In another one-act, David Ives' "Seven Menus," there is a food therapist in the cast of eaters.

Led by these shows and "Cafe Crown," which

looks back at the golden age of the Yiddish theater of food, the hyperactive actor-waiter has been blurred.

This season there are almost as many actors working on stage as there are waiters in restaurants hoping to be actors. More and more there are opportunities for someone to practice both professions without changing costume, given the proper union credentials.

Except for the waiters, most of the characters in these shows could be described by the Y word.

They are passing 30, are upwardly mobile and dine out when they are not taking out or sending out for food.

This partially explains the restaurant settings in the plays; that is where the playwrights are watching the prototypes of their generation.

David Mamet, from a slightly older group, does not usually set his plays in restaurants, although the first act of "Glengarry Glen Ross" takes place in a Chinese restaurant. But Mamet often writes them there, which is why he entitled his collection of essays "Writing in Restaurants."

Sam Shepard, on the other hand, is obsessed by food, especially artichokes — for throwing (in "Curse of the Starving Class"), not for eating. Bananas and artichokes share the spotlight in Mark Harelik's "Immigrant." The title character, a fruit and vegetable peddler, sells the first, but gives away the second, saying that, if a customer can figure out how to cook the strange vegetable, she can keep it.

The proliferation of theater of food began last season with Lanford Wilson's "Burn This," in which the leading male character was the maître d' and chef of an epicurean restaurant.

In "Cafe Crown," which recently reopened on Broadway, the scene is the Cafe Crown (in real life, the Cafe Royale) where actors schmooze between plays and collect heartburn.

When the show closes, Bob Dishy, who leads the team of waiters, would have no trouble finding a role in a restaurant.

Santo Loquasto's set so lovingly reproduces the ambience of the original that, should the show sag at the box office, the set could open for business.

Peter Gill's Lean Revival of an O'Casey Comedy

By Sheridan Morley

International Herald Tribune

LONDON — In a climate of appalling L and ongoing topicality as the Irish "troubles" continue, Peter Gill has brought to the National's Lyttelton stage a revival of "Juno and the Paycock" at the start of what promises to be a major O'Casey season on the

THE LONDON STAGE

South Bank, with "The Shadow of a Gunman" and "The Plough and the Stars" to come later in the year on other National stages.

But this is a shaky start: Gill, the master director of D.H. Lawrence, seems a lot less happy with the social landscape of Dublin than he was with that of Nottinghamshire in his earlier Royal Court seasons, and his treatment is singularly lacking in local color. Indeed, the Boyle family is suspended in the vertical space of Dierdre Clancy's setting, while only the neighbors upstairs bring occasional breaths of authentic O'Casey air.

The constant amazement of O'Casey's masterpiece is how little it turns out to be about its apparent theme. Set in 1922 in the

home of Juno Boyle and her strutting Captain Jack, the vainglorious peacock of the title, it was described by the author himself as "a play about the calamitous civil war in Ireland, when brother went to war with brother over a few insignificant words in a treaty with England."

In its final moments this is a play about the original Irish troubles. But only then. For two preceding acts we have in fact been treated to an altogether different play, a comedy of appalling Irish domestic manners centering around the "Paycock" himself, played here as a rather North Country likely lad by Tony Haygarth. In his refusal ever to work, in his sudden twinges of mythical leg pains, in his phony blustering and makeshift memoirs, in his love-hate relationship with his treacherous ally Joxer (characterized in the one great performance of the evening by Tom Hickey) is the ultimate Irish farfall.

It was, of course, in the nature of O'Casey's brilliance to realize that neither his Abbey Theatre in 1924 nor audiences elsewhere would willingly accept a play of unremitting gloom about the troubles. Better then to give them a domestic comedy, what

he once called "Machetti as Viewed From the Porter's Lodge" and then gradually turn it back on the audience so that their laughter would freeze on their lips.

After half a century those laughs still freeze: At the end of the second act, the sudden shadow of a gunman in the doorway and Juno's already twitching son is being led away to death. We learn why he has spent the first half of the play in a state of shock: not just to be the butt of his father's scorn, but because he knows he has betrayed a rebel and is to die.

Though desperately lacking the poetry and the confidence of the Aldwych century production with Judi Dench and Norman Rodway eight years ago, Gill's spare, lean, edgy revival gives us strong small-part players while seeming somewhat undercast at the center.

In a spirit of splendid *glamoz*, Vanessa Redgrave is bringing to the Lyric Hammer-smith a short season of Russian theatrical companies, and this week's visitors are the Moscow Jewish players, Shalom, in "The Train to Happiness," a cabaret of songs, sketches and monologues reflecting the ir-

nies and agonies and very occasional delights of being Jews in a Soviet Union that tried for several decades to pretend they did not exist.

A company of 16 sing, dance and act with perhaps more energy than subtlety but through the broad outlines of their vaudeville, often reminiscent of a really tacky music-hall tour of the 1920s, come moments of rage and a desperate desire for survival at any cost.

At the Donmar Warehouse in Covent Garden, "Thoughts From a Very Private Party" is a solo show by Victor Spinetti in which he rambles amiably if sometimes aimlessly through a fund of anecdotes about actors more famous than he is. Not that Spinetti is exactly undistinguished: He is one of those actors whom other actors like having around on stage or film sets because of a fund of old show biz stories, all of which he tells with the relish of a natural Welsh-Italian anecdotalist. He also does passable impressions of Richard Burton and Marlene Dietrich.

The problem with an evening of random backstage gossip is that it wears a little thin after the first hour or so.

Tuesday's AMEX Closing

Tables include the notional prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

Stock	Low	High	Open	Close	Change
AAVE	11.12	11.12	11.12	11.12	0.00
AB	11.12	11.12	11.12	11.12	0.00
ABC	11.12	11.12	11.12	11.12	0.00
ABT	11.12	11.12	11.12	11.12	0.00
ABX	11.12	11.12	11.12	11.12	0.00
AC	11.12	11.12	11.12	11.12	0.00
ACC	11.12	11.12	11.12	11.12	0.00
ACD	11.12	11.12	11.12	11.12	0.00
ACE	11.12	11.12	11.12	11.12	0.00
ACF	11.12	11.12	11.12	11.12	0.00
ACG	11.12	11.12	11.12	11.12	0.00
ACH	11.12	11.12	11.12	11.12	0.00
ACI	11.12	11.12	11.12	11.12	0.00
ACJ	11.12	11.12	11.12	11.12	0.00
ACK	11.12	11.12	11.12	11.12	0.00
ACL	11.12	11.12	11.12	11.12	0.00
ACM	11.12	11.12	11.12	11.12	0.00
ACN	11.12	11.12	11.12	11.12	0.00
ACO	11.12	11.12	11.12	11.12	0.00
ACP	11.12	11.12	11.12	11.12	0.00
ACQ	11.12	11.12	11.12	11.12	0.00
ACR	11.12	11.12	11.12	11.12	0.00
ACS	11.12	11.12	11.12	11.12	0.00
ACT	11.12	11.12	11.12	11.12	0.00
ACU	11.12	11.12	11.12	11.12	0.00
ACV	11.12	11.12	11.12	11.12	0.00
ACW	11.12	11.12	11.12	11.12	0.00
ACX	11.12	11.12	11.12	11.12	0.00
ACY	11.12	11.12	11.12	11.12	0.00
ACZ	11.12	11.12	11.12	11.12	0.00
AD	11.12	11.12	11.12	11.12	0.00
ADD	11.12	11.12	11.12	11.12	0.00
ADE	11.12	11.12	11.12	11.12	0.00
ADF	11.12	11.12	11.12	11.12	0.00
ADG	11.12	11.12	11.12	11.12	0.00
ADH	11.12	11.12	11.12	11.12	0.00
ADI	11.12	11.12	11.12	11.12	0.00
ADJ	11.12	11.12	11.12	11.12	0.00
ADK	11.12	11.12	11.12	11.12	0.00
ADL	11.12	11.12	11.12	11.12	0.00
ADM	11.12	11.12	11.12	11.12	0.00
ADN	11.12	11.12	11.12	11.12	0.00
ADO	11.12	11.12	11.12	11.12	0.00
ADP	11.12	11.12	11.12	11.12	0.00
ADQ	11.12	11.12	11.12	11.12	0.00
ADR	11.12	11.12	11.12	11.12	0.00
ADS	11.12	11.12	11.12	11.12	0.00
ADT	11.12	11.12	11.12	11.12	0.00
ADU	11.12	11.12	11.12	11.12	0.00
ADV	11.12	11.12	11.12	11.12	0.00
ADW	11.12	11.12	11.12	11.12	0.00
ADX	11.12	11.12	11.12	11.12	0.00
ADY	11.12	11.12	11.12	11.12	0.00
ADZ	11.12	11.12	11.12	11.12	0.00

Stock	Low	High	Open	Close	Change
AAVE	11.12	11.12	11.12	11.12	0.00
AB	11.12	11.12	11.12	11.12	0.00
ABC	11.12	11.12	11.12	11.12	0.00
ABT	11.12	11.12	11.12	11.12	0.00
ABX	11.12	11.12	11.12	11.12	0.00
AC	11.12	11.12	11.12	11.12	0.00
ACC	11.12	11.12	11.12	11.12	0.00
ACD	11.12	11.12	11.12	11.12	0.00
ACE	11.12	11.12	11.12	11.12	0.00
ACF	11.12	11.12	11.12	11.12	0.00
ACG	11.12	11.12	11.12	11.12	0.00
ACH	11.12	11.12	11.12	11.12	0.00
ACI	11.12	11.12	11.12	11.12	0.00
ACJ	11.12	11.12	11.12	11.12	0.00
ACK	11.12	11.12	11.12	11.12	0.00
ACL	11.12	11.12	11.12	11.12	0.00
ACM	11.12	11.12	11.12	11.12	0.00
ACN	11.12	11.12	11.12	11.12	0.00
ACO	11.12	11.12	11.12	11.12	0.00
ACP	11.12	11.12	11.12	11.12	0.00
ACQ	11.12	11.12	11.12	11.12	0.00
ACR	11.12	11.12	11.12	11.12	0.00
ACS	11.12	11.12	11.12	11.12	0.00
ACT	11.12	11.12	11.12	11.12	0.00
ACU	11.12	11.12	11.12	11.12	0.00
ACV	11.12	11.12	11.12	11.12	0.00
ACW	11.12	11.12	11.12	11.12	0.00
ACX	11.12	11.12	11.12	11.12	0.00
ACY	11.12	11.12	11.12	11.12	0.00
ACZ	11.12	11.12	11.12	11.12	0.00
AD	11.12	11.12	11.12	11.12	0.00
ADD	11.12	11.12	11.12	11.12	0.00
ADE	11.12	11.12	11.12	11.12	0.00
ADF	11.12	11.12	11.12	11.12	0.00
ADG	11.12	11.12	11.12	11.12	0.00
ADH	11.12	11.12	11.12	11.12	0.00
ADI	11.12	11.12	11.12	11.12	0.00
ADJ	11.12	11.12	11.12	11.12	0.00
ADK	11.12	11.12	11.12	11.12	0.00
ADL	11.12	11.12	11.12	11.12	0.00
ADM	11.12	11.12	11.12	11.12	0.00
ADN	11.12	11.12	11.12	11.12	0.00
ADO	11.12	11.12	11.12	11.12	0.00
ADP	11.12	11.12	11.12	11.12	0.00
ADQ	11.12	11.12	11.12	11.12	0.00
ADR	11.12	11.12	11.12	11.12	0.00
ADS	11.12	11.12	11.12	11.12	0.00
ADT	11.12	11.12	11.12	11.12	0.00
ADU	11.12	11.12	11.12	11.12	0.00
ADV	11.12	11.12	11.12	11.12	0.00
ADW	11.12	11.12	11.12	11.12	0.00
ADX	11.12	11.12	11.12	11.12	0.00
ADY	11.12	11.12	11.12	11.12	0.00
ADZ	11.12	11.12	11.12	11.12	0.00

Stock	Low	High	Open	Close	Change
AAVE	11.12	11.12	11.12	11.12	0.00
AB	11.12	11.12	11.12	11.12	0.00
ABC	11.12	11.12	11.12	11.12	0.00
ABT	11.12	11.12	11.12	11.12	0.00
ABX	11.12	11.12	11.12	11.12	0.00
AC	11.12	11.12	11.12	11.12	0.00
ACC	11.12	11.12	11.12	11.12	0.00
ACD	11.12	11.12	11.12	11.12	0.00
ACE	11.12	11.12	11.12	11.12	0.00
ACF	11.12	11.12	11.12	11.12	0.00
ACG	11.12	11.12	11.12	11.12	0.00
ACH	11.12	11.12	11.12	11.12	0.00
ACI	11.12	11.12	11.12	11.12	0.00
ACJ	11.12	11.12	11.12	11.12	0.00
ACK	11.12	11.12	11.12	11.12	0.00
ACL	11.12	11.12	11.12	11.12	0.00
ACM	11.12	11.12	11.12	11.12	0.00
ACN	11.12	11.12	11.12	11.12	0.00
ACO	11.12	11.12	11.12	11.12	0.00
ACP	11.12	11.12	11.12	11.12	0.00
ACQ	11.12	11.12	11.12	11.12	0.00
ACR	11.12	11.12	11.12	11.12	0.00
ACS	11.12	11.12	11.12	11.12	0.00
ACT	11.12	11.12	11.12	11.12	0.00
ACU	11.12	11.12	11.12	11.12	0.00
ACV	11.12	11.12	11.12	11.12	0.00
ACW	11.12	11.12	11.12	11.12	0.00
ACX	11.12	11.12	11.12	11.12	0.00
ACY	11.12	11.12	11.12	11.12	0.00
ACZ	11.12	11.12	11.12	11.12	0.00
AD	11.12	11.12	11.12	11.12	0.00
ADD	11.12	11.12	11.12	11.12	0.00
ADE	11.12	11.12	11.12	11.12	0.00
ADF	11.12	11.12	11.12	11.12	0.00
ADG	11.12	11.12	11.12	11.12	0.00
ADH	11.12	11.12	11.12	11.12	0.00
ADI	11.12	11.12	11.12	11.12	0.00
ADJ	11.12	11.12	11.12	11.12	0.00
ADK	11.12	11.12	11.12	11.12	0.00
ADL	11.12	11.12	11.12	11.12	0.00
ADM	11.12	11.12	11.12	11.12	0.00
ADN	11.12	11.12	11.12	11.12	0.00
ADO	11.12	11.12	11.12	11.12	0.00
ADP	11.12	11.12	11.12	11.12	0.00
ADQ	11.12	11.12	11.12	11.12	0.00
ADR	11.12	11.12	11.12	11.12	0.00
ADS	11.12	11.12	11.12	11.12	0.00
ADT	11.12	11.12	11.12	11.12	0.00
ADU	11.12	11.12	11.12	11.12	0.00
ADV	11.12	11.12	11.12	11.12	0.00
ADW	11.12	11.12	11.12	11.12	0.00
ADX	11.12	11.12	11.12	11.12	0.00
ADY	11.12	11.12	11.12	11.12	0.00
ADZ	11.12	11.12	11.12	11.12	0.00
AE	11.12	11.12	11.12	11.12	0.00
AEE	11.12	11.12	11.12	11.12	0.00
AEG	11.12	11.12	11.12	11.12	0.00
AEL	11.12	11.12	11.12	11.12	0.00
AEM	11.12	11.12	11.12	11.12	0.00
AEN	11.12	11.12	11.12	11.12	0.00
AEQ	11.12	11.12	11.12	11.12	0.00
AER	11.12	11.12	11.12	11.12	0.00
AES	11.12	11.12	11.12	11.12	0.00
AET	11.12	11.12	11.12	11.12	0.00
AEU	11.12	11.12	11.12	11.12	0.00
AEV	11.12	11.12	11.12	11.12	0.00
AEW	11.12	11.12	11.12	11.12	0.00
AEX	11.12	11.12	11.12	11.12	0.00
AEY	11.12	11.12	11.12	11.12	0.00
AEZ	11.12	11.12	11.12	11.12	0.00
AF	11.12	11.12	11.12	11.12	0.00
AFB	11.12	11.12	11.12	11.12	0.00
AFD	11.12	11.12	11.12	11.12	0.00
AFE	11.12	11.12	11.12	11.12	0.00
AFG	11.12	11.12	11.12	11.12	0.00
AFH	11.12	11.12	11.12	11.12	0.00
AFI	11.12	11.12	11.12	11.12	0.00
AFJ	11.12	11.12	11.12	11.12	0.00
AFK	11.12	11.12	11.12	11.12	0.00
AFM	11.12	11.12	11.12	11.12	0.00
AFN	11.12	11.12	11.12	11.12	0.00
AFQ	11.12	11.12	11.12	11.12	0.00
AFR	11.12	11.12	11.12	11.12	0.00
AFS	11.12	11.12	11.12	11.12	0.00
AFU	11.12	11.12	11.12	11.12	0.00
AFV	11.12	11.12	11.12	11.12	0.00
AFW	11.12	11.12	11.12	11.12	0.00
AFX	11.12	11.12	11.12	11.12	0.00
AFY	11.12	11.12	11.12	11.12	0.00
AFZ	11.12	11.12	11.12	11.12	0.00
AG	11.12	11.12	11.12	11.12	0.00
AGA	11.12	11.12	11.12	11.12	0.00
AGE	11.12	11.12	11.12	11.12	0.00
AGF	11.12	11.12	11.12	11.12	0.00
AGH	11.12	11.12	11.12	11.12	0.00
AGI	11.12	11.12	11.12	11.12	0.00
AGJ	11.12	11.12	11.12	11.12	0.00
AGK	11.12	11.12	11.12	11.12	0.00
AGL	11.12	11.12	11.12	11.12	0.00
AGM	11.12	11.12	11.12	11.12	0.00
AGN	11.12	11.12	11.12	11.12	0.00
AGO	11.12	11.12	11.12	11.12	0.00
AGP	11.12	11.12	11.12	11.12	0.00
AGQ	11.12	11.12	11.12	11.12	0.00
AGR	11.12	11.12	11.12	11.12	0.00
AGS	11.12	11.12	11.12	11.12	0.00
AGT	11.12	11.12	11.12	11.12	0.00
AGU	11.12	11.12	11.12	11.12	0.00
AGV	11.12	11.12	11.12	11.12	0.00
AGW	11.12	11.12	11.12	11.12	0.00
AGX	11.12	11.12	11.12	11.12	0.00
AGY	11.12	11.12	11.12	11.12	0.00
AGZ	11.12	11.12	11.12	11.12	0.00
AH	11.12	11.12	11.12	11.12	0.00
AHA	11.12	11.12	11.12	11.12	0.00
AHE	11.12	11.12	11.12	11.12	0.00
AHF	11.12	11.12	11.12	11.12	0.00
AHG	11.12	11.12	11.12	11.12	0.00
AHI	11.12	11.12	11.12	11.12	0.00
AHJ	11.12	11.12	11.12	11.12	0.00
AHK	11.12	11.12	11.12	11.12	0.00
AHL	11.12	11.12	11.12	11.12	0.00
AHM	11.12	11.12	11.12	11.12	0.00
AHN	11.12	11.12	11.12	11.12	0.00
AHO	11.12	11.12	11.12	11.12	0.00
AHP	11.12	11.12	11.12	11.12	0.00
AHQ	11.12	11.12	11.12	11.12	0.00
AHR	11.12	11.12	11.12	11.12	0.00
AHS	11.12	11.12	11.12	11.12	0.00
AHT	11.12	11.12	11.12	11.12	0.00
AHU	11.12	11.12	11.12	11.12	0.00
AHV	11.12	11.12	11.12	11.12	0.00
AHW	11.12	11.12	11.12	11.12	0.00
AHX	11.12	11.12	11.12	11.12	0.00
AHY	11.12	11.12	11.12	11.12	0.00
AHZ	11.12	11.12	11.12	11.12	0.00
AI	11.12	11.12	11.12	11.12	0.00
AIA	11.12	11.12	11.12	11.12	0.00
AIE	11.12	11.12	11.12	11.12	0.00
AIF	11.12	11.12	11.12	11.12	0.00
AIG	11.12	11.12	11.12	11.12	0.00
AIH	11.12	11.12	11.12	11.12	0.00
AII	11.12	11.12	11.12	11.12	0.00
AIJ	11.12	11.12	11.12	11.12	0.00
AIK	11.12	11.12	11.12	11.12	0.00
AIL	11.12	11.12	11.12	11.12	0.00
AIM	11.12	11.12	11.12	11.12	0.00
AIN	11.12	11.12	11.12	11.12	0.00
AIO	11.12	11.12	11.12	11.12	0.00
AIP	11.12	11.12	11.12	11.12	0.00
AIQ	11.12	11.12	11.12	11.12	0.00
AIR	11.12	11.12	11.12	11.12	0.00
AIS	11.12	11.12	11.12	11.12	0.00
AIT	11.12	11.12	11.12	11.12	0.00
AIU	11.12	11.12	11.12	11.12	0.00
AIV	11.12	11.12	11.12	11.12	0.00
AIW	11.12	11.12	11.12	11.12	0.00
AIX	11.12	11.12	11.12	11.12	0.00
AIY	11.12	11.12	11.12	11.12	0.00
AIZ	11.12	11.12	11.12	11.12	0.00
AJ	11.12	11.12	11.12	11.12	0.00
AJA	11.12	11.12	11.12	11.12	0.00
AJE	11.12	11.12	11.12	11.12	0.00
AJF	11.12	11.12	11.12	11.12	0.00
AJG	11.12	11.12	11.12	11.12	0.00
AJH	11.12	11.12	11.12	11.12	0.00
AJI	11.12	11.12	11.12	11.12	0.00
AJJ	11.12	11.12	11.12	11.12	0.00
AJK	11.12	11.12	11.12	11.12	0.00
AJL	11.12	11.12	11.12	11.12	0.00
AJM	11.12	11.12	11.12	11.12	0.00
AJN	11.12	11.12	11.12	11.12	0.00
AJO	11.12	11.12	11.12	11.12	0.00
AJP	11.12	11.12	11.12	11.12	0.00
AJQ	11.12	11.12	11.12	11.12	0.00
AJR	11.12	11.12	11.12	11.12	0.00
AJS	11.12	11.12	11.12	11.12	0.00
AJT	11.12	11.12	11.12	11.12	0.00
AJU	11.12	11.12	11.12	11.12	0.00
AJV	11.12	11.12	11.12	11.12	0.00
AJW	11.12	11.12	11.12	11.12	0.00
AJX	11.12	11.12	11.12	11.12	0.00
AJY	11.12	11.12	11.12	11.12	0.00
AJZ	11.12	11.12	11.12	11.12	0.00
AK	11.12	11.12	11.12	11.12	0.00
AKA	11.12	11.12	11.12	11.12	0.00
AKE	11.12	11.12	11.12	11.12	0.00
AKF	11.12	11.12	11.12	11.12	0.00
AKG	11.12	11.12	11.12	11.12	0.00
AKH	11.12	11.12	11.12	11.12	0.00
AKI	11.12	11.12	11.12	11.12	0.00
AKJ	11.12	11.12	11.12	11.12	0.00
AKK	11.12	11.12	11.12	11.12	0.00
AKL	11.12	11.12	11.12	11.12	0.00
AKM	11.12	11.12	11.12	11.12	0.00
AKN	11.12	11.12	11.12	11.12	0.00
AKO	11.12	11.12	11.12	11.12	0.00
AKP	11.12	11.12	11.12	11.12	0.00
AKQ	11.12	11.12	11.12	11.12	0.00
AKR	11.12	11.12	11.12	11.12	0.00
AKS	11.12	11.12	11.12	11.12	0.00
AKT	11.12	11.12	11.12	11.12	0.00
AKU	11.12	11.12	11.12	11.12	0.00
AKV	11.12	11.12	11.12	11.12	0.00
AKW	11.12	11.12	11.12	11.12	0.00
AKX	11.12	11.12	11.12	11.12	0.00
AKY	11.12	11.12	11.12	11.12	0.00
AKZ	11.12	11.12			

Wednesday, March 1, 1989

Denmark: Signs of Strain

Debt Burden Brings Painful Questions After Years of Plenty

Welfare, health and education are buckling under the strain of austerity measures.

By Michael Metcalfe

COPENHAGEN — Debt is a way of life in Denmark. To get round a tax burden that has surpassed Sweden's and become the heaviest in the world, the average Dane borrows heavily.

Nonetheless, Denmark's 5.1 million inhabitants — a population half that of London's — enjoy a standard of living almost unparalleled in the rest of the world. A "cradle-to-grave" welfare system has coaxed generations of Danes from the harsh realities of life, such as costly housing, steep medical bills, high transport costs and large-scale unemployment. The system, built up over the past 50 years, rested on the bases of job security, financial well-being and social integration.

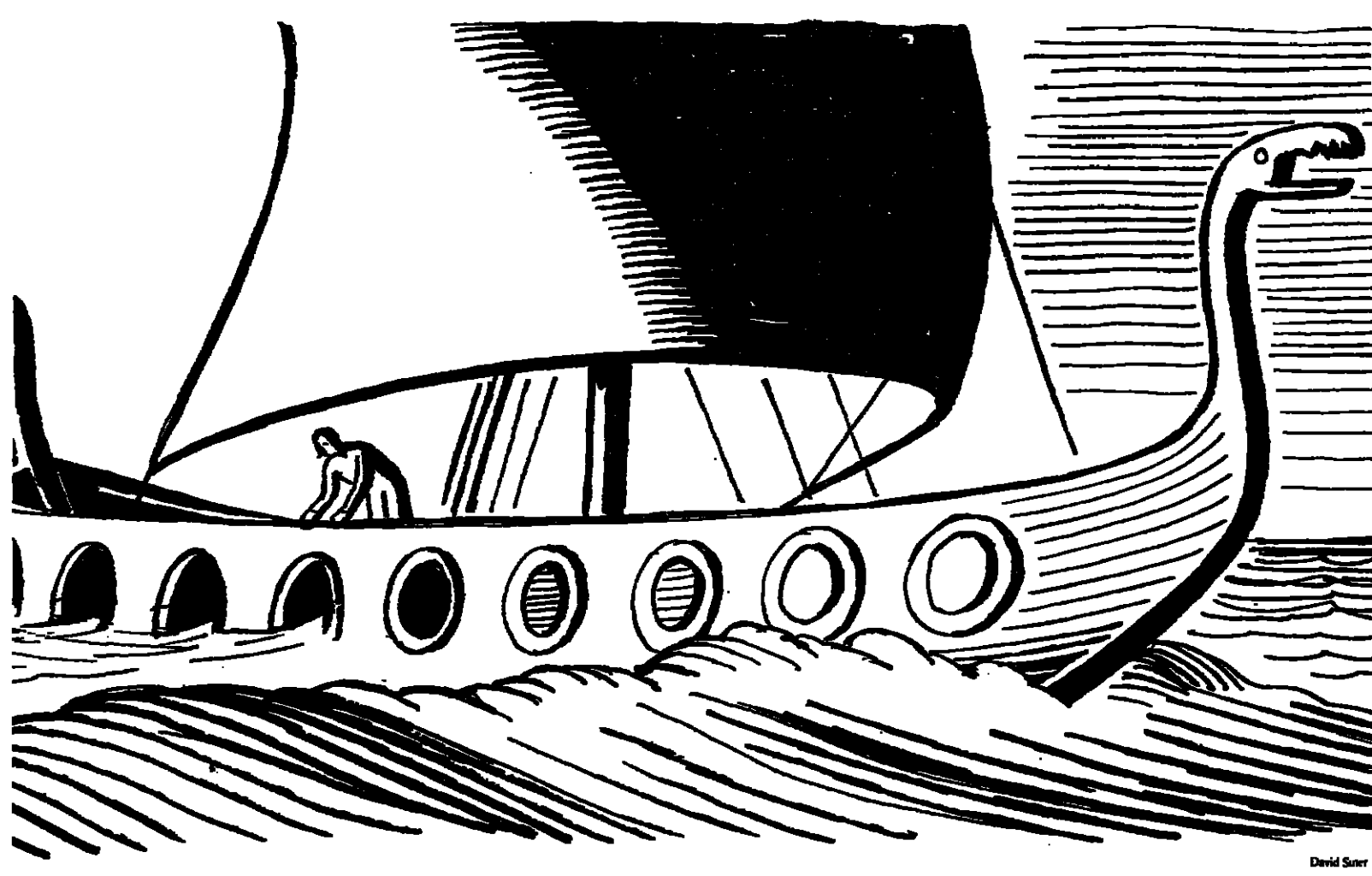
It worked well in the "boom years" of the 1960s, and Denmark's standards of social welfare, health and education came to be regarded as among the best; its society judged as among the most open and the most free.

But this spring, the world's oldest monarchy faces a number of painful, pressing choices if it is to continue to be held in this high regard. Staggering under a national debt burden equivalent to nearly 60,000 Danish kroner (\$8,350) per inhabitant, living standards are declining. Welfare, health and education are buckling under the strain of government austerity measures and local authority cutbacks. And, as the number of Third World refugees flowing into Denmark increases, racism has begun to surface.

The harsher economic climate of the 1970s and 1980s drove the cost of the benefits — which include free medical care, education, child allowances, rent subsidies, pensions and almost full pay for those out of work — to exorbitant levels. According to latest estimates, the system swallows up almost 50 percent of gross domestic product annually, though the rate has progressively fallen since the start of the 1980s.

To feed the system, the Kingdom of Denmark has had to borrow heavily abroad. The net foreign debt was estimated to have reached about 300 billion kroner by end-1988, after 25 years of deficits on the current account of the balance of payments, according to recent estimates published by Denmark's leading commercial bank, Den Danske Bank. This represents about 130 percent of Denmark's annual export earnings or 49 percent of gross factor income.

The central bank, Nationalbank, has warned that the



interest burden on the foreign debt has developed at a rate that is "clearly unsustainable."

The ruling center-right coalition and opposition parties are acutely aware of the debt problem but as yet have failed to find a common political platform on which to tackle the issue.

UNTIL recently, Danes could console themselves over their high personal debt with the fact that much of the interest on the debt was tax-deductible. However, an income tax reform that went into effect in 1987 reduced the tax value of deductions from levels equal in value to the marginal rate of income tax (which rose to 73 percent and more) to a flat 50 percent. There is now talk of further paring tax-deductible items.

Many taxpayers have been shocked to find just how much this has bitten into their pockets and, according to

latest estimates, the number of home foreclosures and bankruptcies jumped to record levels in 1988.

Crippling taxes, shrinking purchasing power and rising unemployment have created a strong incentive to work outside the fiscal system, as illegal and undeclared work means no tax deductions or liabilities on payments received. Since personal income tax rates average more than 51 percent and value-added tax is 22 percent, "moonlighting" or "working black" can act as a random, de facto tax subsidy by providing tax reductions to some, while the state each year loses substantial amounts in public revenue.

The growth of the black economy has worried the authorities, who argue that it indicates a change in social attitudes deemed essential for Scandinavian-style democracy and the maintenance of the country's welfare state.

The governor of the central bank, Erik Hoffmeyer, has warned that the black economy is promoting "inflation," a feeling of indifference toward public obligation and social responsibility, and that this could tear apart the moral fabric of society in the long run.

A sense of responsibility toward the weaker, helpless and less privileged members of society has been a vital ingredient in Denmark's homogenous society for generations, best exemplified by the way in which Danes helped the country's Jewish population against the Nazis in World War II.

But this attitude is under attack, with racism manifesting itself in the otherwise peaceful cities and countryside. Only recently, the government had to intervene to disavow a local municipality from holding a referendum on the level of immigrants in its community.

There have been vicious clashes between Danish youths and refugees, and tempers have flared between

police and immigrants. In one incident, a Lebanese youth was shot to death by a policeman who felt himself threatened.

"We have to have a change in attitude, so it becomes 'in' to be positive toward our neighbor instead of being negative and viewing each and every stranger as an adversary," Finn Slumstrup of the Danish Refugee Council has said.

With the recent introduction of stricter rules on allowing refugees entry, the influx of immigrants has fallen far behind the numbers entering Norway and Sweden, provoking heated debate within Denmark and with its Nordic neighbors on immigration policy.

Debate has also centered on the way in which Denmark is governed, prompting several political commentators and officials to suggest that the present system — with its myriad small parties working (or not working) together in political alliance — is fast becoming untenable.

National elections last May produced the worst possible result for the ruling center-right government and opposition alike: political stalemate with no single bloc the outright winner. The reality of a hung parliament, in which every piece of legislation is hotly contested and revised, could not have come at a worse time.

Several political figures have urged a coalition of the opposition Social Democrats and ruling Conservatives, respectively Denmark's largest and second-largest political parties, to tackle the nation's problems more effectively. So far, the idea has been rejected by both the government and the opposition.

With Prime Minister Poul Schluter presiding over a three-party minority coalition with a narrow power base, the governing of Denmark relies as never before on a willingness to compromise.

More ominously, it also hinges on the whims of a small but rapidly growing party — the extreme-right Progress Party, which wants taxes scrapped and immigrants out of Denmark. Recent opinion polls suggest that if elections were held today, it would replace the leftist Socialist People's Party as Denmark's third-largest party.

The major question now being posed by political analysts is whether a government with responsibility but without power can outflank an opposition with power but without responsibility. They are also wondering whether accepted democratic processes in one of Europe's oldest democracies will buckle under the strain of stalemate and extremism.

The return to power of a Conservative-led coalition for a seventh successive year has meant that policies of austerity, tight money and fiscal constraint, which have marked the economy since 1982, are being maintained.

But, the analysts ask, can the government, with its reduced ability to muster crucial parliamentary votes to ensure passage of often unpopular belt-tightening legislation, succeed in returning the current account to surplus, improving the country's deteriorating international competitiveness, modernizing industry and restoring a more permanent balance to fiscal budgets?

MICHAEL METCALFE, based in Copenhagen, is a correspondent for Business International.

Business Looks West — to Jutland

By Philip H. Bay

ARHUS, Denmark — While Danish politicians remain busy flooding their offices with the latest directives from Brussels, business and industry in this pivotal country of 5.1 million people have already risen well above the water-mark.

Denmark usually conjures up images of tidy and efficient farming, traditional brew such as Carlsberg, and picturesque tourist attractions. These conceptions have survived in the minds of foreigners despite the fact that this small half-Nordic, half-European country has transformed itself into a postindustrial welfare society teeming with thousands of fiercely independent businessmen and companies.

This latest chapter may, nevertheless, also soon become just another fairy tale from the likes of Hans Christian Andersen.

"We are experiencing major structural changes at the moment because of recent mergers in the pharmaceutical and consumer food industry," said Minister of Industry Nils Wilhelm.

According to many analysts in Copenhagen, Denmark remains the only industrialized country in the European Community without a major domestic industrial or financial locomotive. Danish business remains, for the most part, a mosaic of specialized, small to medium-sized enterprises surrounded by a few relatively large international companies.

According to Mr. Wilhelm, the center-right minority government of Prime Minister Poul Schluter wants to change this. "We are legislatively removing the barriers that remain and encouraging the structural changes now taking place in the private sector," he said. "Even public opinion supports this. A few years ago mergers like these would have been looked upon negatively."

The recent merging of Novo Industries and Nordic Gentofte, both major producers of insulin, was well received and gives Novo-Nordic



Prime Minister Poul Schluter

A/S a 50 percent share of the world market. Eli Lilly, U.S.A., has a 45 percent stake.

"We are not two desperate companies in need. This is an offensive merger on both our parts," Henry Brennum, the president of Nordic Gentofte, said recently.

A recent international star is the multiservice group, International Service System A/S. ISS specializes in security, energy, data and cleaning services with more than 85,000 employees worldwide and total sales worth more than 5 billion kroner for 1987. Together with the Jutland Telephone Co., ISS has undertaken all the preliminary development work for the communication, monitoring and environmental control systems of a new World Trade Center. Known in Denmark as *Langeliniehu-*

ser, the endeavor will be the country's first example of an "intelligent" building. The project's ground-breaking ceremonies are to begin on May 1 this year.

ISS division chairman, Ulf Sogaard, said that his company's participation in the World Trade Center in Aarhus, Denmark's second largest city, was clearly a sign that the country was preparing for 1992.

"Business activity is steadily increasing on the Jutland peninsula because of its geographical location with the Community," Mr. Sogaard said.

According to the vice president of the project, Soren Christensen of Kurt Thorsen Totalenterprise A/S, the World Trade Center will facilitate international trade for Danish companies that lack the capacity to gather information in foreign markets. "The center will place Denmark on the map of world trade," he said.

This "westward movement" worries many politicians because it could further reduce Copenhagen's industrial tax base.

"It's difficult to explain," said Mr. Wilhelm. "There seems to be a better business environment the farther west from Copenhagen you go." He also believed that local municipalities in Jutland were more service-minded toward industry.

Minister of Labor Henning Dyremose said the growth in small to medium-sized companies in the western part of the country was bound by tradition. "The labor market is more stable. Wages, salaries and cost of living expenses are all lower the farther west you go," he said. "There is a much better atmosphere over there between labor and management."

A particularly active municipality, Herning, notably has a publicly funded violinist who gives lessons free of charge to blue-collar workers at a local factory.

Although January this year seemed rampant with Danish merger fever, neither the government nor the business community sees the mergers as a panacea for the major problems facing Danish industry. One problem is taxes.

Continued on page 11

Nordic States See Denmark as Link to EC

By Alfred E. Pedersen

COPENHAGEN — The Danish parliament was discussing Nordic cooperation recently, as it always does shortly before the five Nordic countries hold their winter session to evaluate the past year's work and set the goals for the next 12 months.

As always, the debate touched on the goals of Nordic cooperation, including the question of how much help Denmark should be ready to give the others in strengthening their ties with the European Community.

At one point, the Danish minister for Nordic affairs, Thor Pedersen, said that "Denmark's most important task in Nordic cooperation right now is to act as bridge builder between the Nordic region and the Community."

Denmark is the only EC member in the Nordic group, which also includes Finland, Iceland, Norway and Sweden. These four are all members of the European Free Trade Association and all negotiated trade agreements with the EC in the 1970s.

Now, with the EC inner market planned for the end of 1992, they want something more than that if they are to ensure their exporters satisfactory access to all of Western Europe.

All rely collectively on EFTA — at least for the time being — as their negotiating forum with the Community and they are turning the Nordic Council of Ministers, their intergovernmental cooperation organ located in Copenhagen, into an information channel to feed infor-

How much help should the Danes offer?

mation on EC harmonization news into the individual capitals.

In this context, they are happy to have an EC member in their midst to help them understand what is happening in Brussels.

However, the Danes note that being a bridge-builder is not the same as being a matchmaker. The Nordic EFTA members, they say, will have to make up their own minds on what they want out of the EC and make their own approaches individually or through EFTA.

As Denmark's defense minister, Hans Engell, one of the stronger conservative voices in the Danish government, said, the Nordic organization is not the right forum. "We're not interested in sitting on both sides of the table," he said.

In Brussels, Denmark is often regarded as a hesitant EC member, worried that the growing range of EC activities could, in time, deprive it of its enlightened, Nordic way of life.

Denmark very much wants Nordic company in the EC, and the Danes regularly urge their neighbors to take the plunge.

But the matter is more complicated when seen from Oslo, Stockholm and Helsinki.

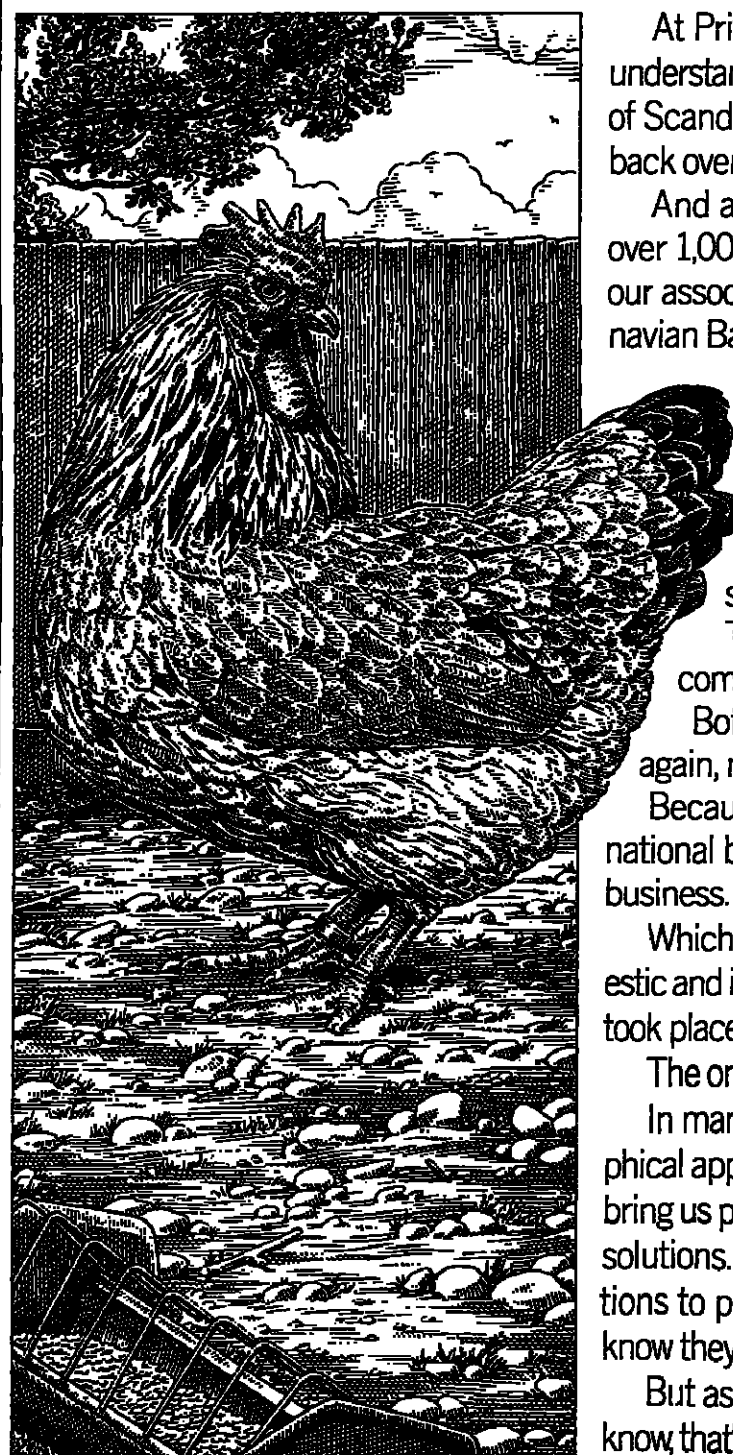
The Norwegian prime minister, Gro Harlem Brundtland, is determined to avoid a repetition of 1972, when a voters' rejection of EC membership in a referendum ripped political parties apart. Now, Norway wants everybody committed before embarking on a new approach.

With much of its economy global in nature, based on shipping, oil and gas production, metals and chemicals, Norway does a lot of business outside Europe and thus has relatively little to gain in trade terms.

But Norway, a member of the North Atlantic Treaty Organization, is very committed to

Continued on page 10

Is it our strength in Scandinavia that gives us an international edge? Or the other way around?



At Privatbanken we offer an understanding of the financial life of Scandinavia that stretches back over 130 years.

And a domestic network of over 1,000 branches, thanks to our association with the Scandinavian Banking Partnership.

It's the basis of our success.

But then so too is our global network of wholly owned subsidiaries.

The question is, which comes first?

Both, obviously. But then again, neither.

Because we know that international banking is a two way business.

Which explains why our domestic and international expansion took place at the same time.

The one serves the other.

In many ways it's a philosophical approach. Our customers bring us problems. We give them solutions. And sometimes, solutions to problems they didn't know they had.

But as our customers do know, that's a very real advantage.



PRIVATbanken
DENMARK • SCANDINAVIA • THE WORLD

COPENHAGEN • STOCKHOLM • HELSINKI • OSLO • LONDON • PARIS • BERLIN • CAYMAN ISLANDS • SAO PAULO • NEW YORK • LOS ANGELES • MADRID • FUENGIROLA • FRANKFURT • LUXEMBOURG • ZURICH • GENEVA • MILAN • MONACO • MOSCOW • TOKYO • TEHRAN • BAHRAIN • BEIJING • HONG KONG • SINGAPORE • SYDNEY

SCANDINAVIAN BANKING PARTNERS: Bergen Bank, Privatbanken, F. & E. Urdén, Union Bank of Finland

Denmark: Signs of Strain / A Special Report

Banks Set Sights on Expansion Into European Financial Services

By Michael Metcalfe

COPENHAGEN — Danish banks, on the prowl for new business outlets to augment earnings squeezed by a fast-saturating home market, are setting their sights firmly on expansion in the European financial services sector.

Stepping up the retail and private aspects of their banking activities has become a natural reflex for the broad majority of the larger Danish banks, which are witnessing an increasing proportion of corporate customers turning to other sources for their financial needs.

All the three major Danish banks — Den Danske Bank, Copenhagen Handelsbank and PRIVATbanken — are following a strategy of expansion based on branching out into more broadly based financial service activities, particularly in the European Community member states.

This strategy, and the timing of its implementation, is in response to two factors: The swift progress toward the creation of a free market in financial services in the EC by 1992 and the abolition of all remaining foreign exchange controls in Denmark.

As of Oct. 1 last year, the capital transactions abroad of all Danish residents — private individuals and corporations alike — were totally freed of restrictions for the first time since 1931.

"Private Danish banks clients hitherto were barred from placing deposits or taking up loans in foreign currencies via Danish or foreign banks, nor were they allowed to purchase short-term foreign bonds," noted Ib Christiansen, deputy director at Den Danske Bank.

Similarly, nonresidents were not permitted to place Danish kroner-denominated deposits in Danish banks.

With the abolition of these restrictions, private Danish individuals have a much wider scope of capital transactions available to them, from Danish and foreign banks alike.

But as Mr. Christiansen cautioned: "In connection with the abolition of the last remaining restrictions, there are grounds to be skeptical at the initial stage, where there has been a tendency to dramatize the consequences."

He cited in particular the hazards associated with taking up loans in low-yielding strong currencies, such as the Deutsche mark, which typically strengthen against the kroner and thus lead to exchange rate losses.

"Secondly, it would go against the grain of sound client advice, if a bank neglects to ensure that private customers are fully aware of the risks associated with a foreign-currency loan," he added.

As a third reason, the banker noted that banks must continue to be adequately covered for the costs associated with raising and administering loans. "These costs — professional advisory services, efficient administration and even higher with foreign-currency loans than with Danish kroner loans," Mr. Christiansen said.

But as the competition for a larger share of retail and private banking services among banks the world over heats up, the Danish

banks are being compelled to enter the market, paying greater attention to their retail customer base and learning to capitalize on a growing demand among Danes for private banking services.

In doing so, they are combining the merits of asset management with catering for the needs of high net worth individuals.

Each of the banks has pursued its own strategy in terms of build-

ing up its client base, offering its own brand of services and developing its own product mix. As the degree of banking emphasis varies from bank to bank, so does the proportion of profits stemming from the range of banking services offered by the individual banks.

For example, Denmark's largest bank, Den Danske Bank, has chosen to build up its presence in West Germany. Last year, it opened a branch in Frankfurt, its

first splash in creating universal services in Europe.

The bank makes no secret of its determination to focus on West Germany and the European mainland in the coming years. Mr. Straarup noted: "In terms of investment, then Europe will be the place where we are making the largest investments."

Much of Danish banking's international strategy in the past decade or more has rested on the

service of the financial, tax and legal requirements of their private customers not restricted to the Luxembourg marketplace or the banking halls of Lisbon, Madrid or Fuengirola. Nor are these services confined to banks alone.

Many Danish expatriates, businessmen and tax exiles, for instance, prefer the cultural and business environment of London.

This marked preference for London has prompted a number of Danish financial consultancies, tax specialists and other auxiliary services to set up offices there.

One of these is Dragsted Advokat — the first Danish law firm to have offices both in London and Paris.

"After detailed discussions with the London offices of the major Danish banks and the Danish Embassy there, we got the clear impression that there was an increasing demand for a Danish law office in London," said Jan Martensen, a partner in Dragsted, "and more and more Danish enterprises are establishing themselves in England, and more and more Danes reside in England. At the moment, there are some 35,000."

A major part of the functions of Dragsted's London offices is to advise private clients on the legal, financial and tax aspects of both their individual and corporate presence in Britain, as well as how best to manage their interests in Denmark.

Having established a solid base for servicing the financial needs of

their clients in the private banking sphere, the Danish banks represented in Luxembourg have embarked on a new phase in their drive to win over the wealthy: the provision of improved and more specialized backup services.

The services offered by the Danish banks represented in the Grand Duchy include discretionary and advisory portfolio management, loans using all types of securities and cash management.

"Of course, all the banks involved in the private banking sector offer broadly the same kind of services," noted the manager of one Danish banking subsidiary in Luxembourg, "but the distinction lies in the way you sell and then handle these services after having sold them, because it's not too difficult to attract clients — it's harder to keep the clients."

Widening the palette of investment instruments available to the private customer, as well as improving the quality of existing services, are also key objectives for the Danish banks. "We are currently in the phase of trying to improve the quality of our private banking services, and also the range of services, adding on other products, including investment funds, the latter being very much tied in with the development of Luxembourg as a center for unit trusts," said the private banking head of another major Danish subsidiary operating in Luxembourg.

The private banking divisions of Danish subsidiaries and branches in financial centers such as Luxembourg carry not only to servicing the strictly financial needs of the high net worth individual, expatriate or tax exile. Many are also booking the advantages gained from the provision of legal and tax advisory services.

But servicing the financial, tax and legal requirements of their private customers is not restricted to the Luxembourg marketplace or the banking halls of Lisbon, Madrid or Fuengirola. Nor are these services confined to banks alone.

Many Danish expatriates, businessmen and tax exiles, for instance, prefer the cultural and business environment of London.

This marked preference for London has prompted a number of Danish financial consultancies, tax specialists and other auxiliary services to set up offices there.

One of these is Dragsted Advokat — the first Danish law firm to have offices both in London and Paris.

"After detailed discussions with the London offices of the major Danish banks and the Danish Embassy there, we got the clear impression that there was an increasing demand for a Danish law office in London," said Jan Martensen, a partner in Dragsted, "and more and more Danish enterprises are establishing themselves in England, and more and more Danes reside in England. At the moment, there are some 35,000."

A major part of the functions of Dragsted's London offices is to advise private clients on the legal, financial and tax aspects of both their individual and corporate presence in Britain, as well as how best to manage their interests in Denmark.

Having established a solid base for servicing the financial needs of

ECONOMIC INDICATORS



ing up its client base, offering its own brand of services and developing its own product mix. As the degree of banking emphasis varies from bank to bank, so does the proportion of profits stemming from the range of banking services offered by the individual banks.

For example, Denmark's largest bank, Den Danske Bank, has chosen to build up its presence in West Germany. Last year, it opened a branch in Frankfurt, its

first splash in creating universal services in Europe.

The bank makes no secret of its determination to focus on West Germany and the European mainland in the coming years. Mr. Straarup noted: "In terms of investment, then Europe will be the place where we are making the largest investments."

Much of Danish banking's international strategy in the past decade or more has rested on the

service of the financial, tax and legal requirements of their private customers not restricted to the Luxembourg marketplace or the banking halls of Lisbon, Madrid or Fuengirola. Nor are these services confined to banks alone.

Many Danish expatriates, businessmen and tax exiles, for instance, prefer the cultural and business environment of London.

This marked preference for London has prompted a number of Danish financial consultancies, tax specialists and other auxiliary services to set up offices there.

One of these is Dragsted Advokat — the first Danish law firm to have offices both in London and Paris.

"After detailed discussions with the London offices of the major Danish banks and the Danish Embassy there, we got the clear impression that there was an increasing demand for a Danish law office in London," said Jan Martensen, a partner in Dragsted, "and more and more Danish enterprises are establishing themselves in England, and more and more Danes reside in England. At the moment, there are some 35,000."

A major part of the functions of Dragsted's London offices is to advise private clients on the legal, financial and tax aspects of both their individual and corporate presence in Britain, as well as how best to manage their interests in Denmark.

Having established a solid base for servicing the financial needs of

their clients in the private banking sphere, the Danish banks represented in Luxembourg have embarked on a new phase in their drive to win over the wealthy: the provision of improved and more specialized backup services.

The services offered by the Danish banks represented in the Grand Duchy include discretionary and advisory portfolio management, loans using all types of securities and cash management.

"Of course, all the banks involved in the private banking sector offer broadly the same kind of services," noted the manager of one Danish banking subsidiary in Luxembourg, "but the distinction lies in the way you sell and then handle these services after having sold them, because it's not too difficult to attract clients — it's harder to keep the clients."

Widening the palette of investment instruments available to the private customer, as well as improving the quality of existing services, are also key objectives for the Danish banks. "We are currently in the phase of trying to improve the quality of our private banking services, and also the range of services, adding on other products, including investment funds, the latter being very much tied in with the development of Luxembourg as a center for unit trusts," said the private banking head of another major Danish subsidiary operating in Luxembourg.

The private banking divisions of Danish subsidiaries and branches in financial centers such as Luxembourg carry not only to servicing the strictly financial needs of the high net worth individual, expatriate or tax exile. Many are also booking the advantages gained from the provision of legal and tax advisory services.

But servicing the financial, tax and legal requirements of their private customers is not restricted to the Luxembourg marketplace or the banking halls of Lisbon, Madrid or Fuengirola. Nor are these services confined to banks alone.

Many Danish expatriates, businessmen and tax exiles, for instance, prefer the cultural and business environment of London.

This marked preference for London has prompted a number of Danish financial consultancies, tax specialists and other auxiliary services to set up offices there.

One of these is Dragsted Advokat — the first Danish law firm to have offices both in London and Paris.

"After detailed discussions with the London offices of the major Danish banks and the Danish Embassy there, we got the clear impression that there was an increasing demand for a Danish law office in London," said Jan Martensen, a partner in Dragsted, "and more and more Danish enterprises are establishing themselves in England, and more and more Danes reside in England. At the moment, there are some 35,000."

A major part of the functions of Dragsted's London offices is to advise private clients on the legal, financial and tax aspects of both their individual and corporate presence in Britain, as well as how best to manage their interests in Denmark.

Having established a solid base for servicing the financial needs of

their clients in the private banking sphere, the Danish banks represented in Luxembourg have embarked on a new phase in their drive to win over the wealthy: the provision of improved and more specialized backup services.

The services offered by the Danish banks represented in the Grand Duchy include discretionary and advisory portfolio management, loans using all types of securities and cash management.

"Of course, all the banks involved in the private banking sector offer broadly the same kind of services," noted the manager of one Danish banking subsidiary in Luxembourg, "but the distinction lies in the way you sell and then handle these services after having sold them, because it's not too difficult to attract clients — it's harder to keep the clients."

Widening the palette of investment instruments available to the private customer, as well as improving the quality of existing services, are also key objectives for the Danish banks. "We are currently in the phase of trying to improve the quality of our private banking services, and also the range of services, adding on other products, including investment funds, the latter being very much tied in with the development of Luxembourg as a center for unit trusts," said the private banking head of another major Danish subsidiary operating in Luxembourg.

The private banking divisions of Danish subsidiaries and branches in financial centers such as Luxembourg carry not only to servicing the strictly financial needs of the high net worth individual, expatriate or tax exile. Many are also booking the advantages gained from the provision of legal and tax advisory services.

But servicing the financial, tax and legal requirements of their private customers is not restricted to the Luxembourg marketplace or the banking halls of Lisbon, Madrid or Fuengirola. Nor are these services confined to banks alone.

Many Danish expatriates, businessmen and tax exiles, for instance, prefer the cultural and business environment of London.

This marked preference for London has prompted a number of Danish financial consultancies, tax specialists and other auxiliary services to set up offices there.

One of these is Dragsted Advokat — the first Danish law firm to have offices both in London and Paris.

"After detailed discussions with the London offices of the major Danish banks and the Danish Embassy there, we got the clear impression that there was an increasing demand for a Danish law office in London," said Jan Martensen, a partner in Dragsted, "and more and more Danish enterprises are establishing themselves in England, and more and more Danes reside in England. At the moment, there are some 35,000."

A major part of the functions of Dragsted's London offices is to advise private clients on the legal, financial and tax aspects of both their individual and corporate presence in Britain, as well as how best to manage their interests in Denmark.

Having established a solid base for servicing the financial needs of

their clients in the private banking sphere, the Danish banks represented in Luxembourg have embarked on a new phase in their drive to win over the wealthy: the provision of improved and more specialized backup services.

The services offered by the Danish banks represented in the Grand Duchy include discretionary and advisory portfolio management, loans using all types of securities and cash management.

"Of course, all the banks involved in the private banking sector offer broadly the same kind of services," noted the manager of one Danish banking subsidiary in Luxembourg, "but the distinction lies in the way you sell and then handle these services after having sold them, because it's not too difficult to attract clients — it's harder to keep the clients."

Widening the palette of investment instruments available to the private customer, as well as improving the quality of existing services, are also key objectives for the Danish banks. "We are currently in the phase of trying to improve the quality of our private banking services, and also the range of services, adding on other products, including investment funds, the latter being very much tied in with the development of Luxembourg as a center for unit trusts," said the private banking head of another major Danish subsidiary operating in Luxembourg.

The private banking divisions of Danish subsidiaries and branches in financial centers such as Luxembourg carry not only to servicing the strictly financial needs of the high net worth individual, expatriate or tax exile. Many are also booking the advantages gained from the provision of legal and tax advisory services.

But servicing the financial, tax and legal requirements of their private customers is not restricted to the Luxembourg marketplace or the banking halls of Lisbon, Madrid or Fuengirola. Nor are these services confined to banks alone.

Many Danish expatriates, businessmen and tax exiles, for instance, prefer the cultural and business environment of London.

This marked preference for London has prompted a number of Danish financial consultancies, tax specialists and other auxiliary services to set up offices there.

One of these is Dragsted Advokat — the first Danish law firm to have offices both in London and Paris.

"After detailed discussions with the London offices of the major Danish banks and the Danish Embassy there, we got the clear impression that there was an increasing demand for a Danish law office in London," said Jan Martensen, a partner in Dragsted, "and more and more Danish enterprises are establishing themselves in England, and more and more Danes reside in England. At the moment, there are some 35,000."

A major part of the functions of Dragsted's London offices is to advise private clients on the legal, financial and tax aspects of both their individual and corporate presence in Britain, as well as how best to manage their interests in Denmark.

Having established a solid base for servicing the financial needs of

their clients in the private banking sphere, the Danish banks represented in Luxembourg have embarked on a new phase in their drive to win over the wealthy: the provision of improved and more specialized backup services.

The services offered by the Danish banks represented in the Grand Duchy include discretionary and advisory portfolio management, loans using all types of securities and cash management.

"Of course, all the banks involved in the private banking sector offer broadly the same kind of services," noted the manager of one Danish banking subsidiary in Luxembourg, "but the distinction lies in the way you sell and then handle these services after having sold them, because it's not too difficult to attract clients — it's harder to keep the clients."

Widening the palette of investment instruments available to the private customer, as well as improving the quality of existing services, are also key objectives for the Danish banks. "We are currently in the phase of trying to improve the quality of our private banking services, and also the range of services, adding on other products, including investment funds, the latter being very much tied in with the development of Luxembourg as a center for unit trusts," said the private banking head of another major Danish subsidiary operating in Luxembourg.

The private banking divisions of Danish subsidiaries and branches in financial centers such as Luxembourg carry not only to servicing the strictly financial needs of the high net worth individual, expatriate or tax exile. Many are also booking the advantages gained from the provision of legal and tax advisory services.

But servicing the financial, tax and legal requirements of their private customers is not restricted to the Luxembourg marketplace or the banking halls of Lisbon, Madrid or Fuengirola. Nor are these services confined to banks alone.

Many Danish expatriates, businessmen and tax exiles, for instance, prefer the cultural and business environment of London.

This marked preference for London has prompted a number of Danish financial consultancies, tax specialists and other auxiliary services to set up offices there.

One of these is Dragsted Advokat — the first Danish law firm to have offices both in London and Paris.

"After detailed discussions with the London offices of the major Danish banks and the Danish Embassy there, we got the clear impression that there was an increasing demand for a Danish law office in London," said Jan Martensen, a partner in Dragsted, "and more and more Danish enterprises are establishing themselves in England, and more and more Danes reside in England. At the moment, there are some 35,000."

A major part of the functions of Dragsted's London offices is to advise private clients on the legal, financial and tax aspects of both their individual and corporate presence in Britain, as well as how best to manage their interests in Denmark.

Having established a solid base for servicing the financial needs of



Trading on the Copenhagen Stock Exchange.

Stock Exchange Hits New Records

By Christopher Follett

COPENHAGEN — Nineteen-eighty-eight was a bumper year for Nordic bourses, which turned in some of the best performances among world markets, with a rise of 49 percent in Copenhagen.

Official turnover in both stocks and bonds on the Copenhagen Stock Exchange jumped to record levels last year despite a crisis-ridden economy, with ongoing balance of payments shortfalls and the world's highest per-capita foreign debt, running at around \$8,350.

After a strong autumn, spectacular rises in shipping shares pushed the stock market index to a record-closing high on the last day of trading in 1988, finishing at 271.81, up 2.72 points from the previous record set the day before. The bullish trend continued.

"There is a major interest because shipping companies are expected 1989 to be a very good year, with good prospects for a solid increase in international trade," one dealer said.

The overall market index in Copenhagen ended 1988 an impressive 49 percent above its level a year earlier, while the shipping sub-index showed the biggest advance of any sector at 126 percent. Total turnover including unit trusts rose 36 percent to 4.13 billion kroner (\$570 million) last year, with market value up from 13.8 billion kroner to 34.4 billion kroner.

Share dealing by open outcry came to an end on the Copenhagen bourse in September last year when the bourse switched to electronic dealing. Under the new system, all deals completed have to be reported to the stock exchange for registration within 90 seconds. The compulsory registration of security transactions was approved by the parliament despite

objections from some business quarters that registration of shares might help outsiders gain a dominating influence in companies.

Copenhagen's new electronic dealing and information system in stocks and bonds — sparked by the international trend toward securitization of debt and lending instruments coupled with fiercer competition in the areas of traditional banking — has made Danish banks more dependent on developments in the securities market. They have been obliged to seek earnings from related areas such as stockbrokerage, portfolio management, private investment advisory services and mergers and acquisitions.

"The desire to get the bulk of turnover in bonds and stocks back to the stock exchange, coupled with the need for an efficient and up-to-date trading system, led to the decision to establish an electronic trading system in Copenhagen," said the president of the exchange, Christen Soerensen. "The live auction method could not cope with exchange turnover."

The electronic system marked the end of a monopoly held by 27 stockbroking companies. Access is still limited to stockbroking firms, but a 1986 law lifted restrictions on who could own these.

In 1988, there were 47 stockbroking companies, of which 20 were companies set up by one or more banks, while seven of the old firms had banks as co-owners. Insurance companies must buy into stockbroking through affiliated companies as they are forbidden by Danish law from direct involvement in business other than insurance.

Five new companies were admitted to the Copenhagen Stock Exchange in 1988, the same as in 1987. A total of 267 companies and 31 associations were listed at the end of last year.

Bond values rose in Copenhagen by almost 16 percent in 1988, after a mere 6.7 percent rise in the previous year. Bond turnover rose to a

record 988 billion kroner in market terms from 102 billion kroner in 1987, a staggering 866 percent increase. About two-thirds of turnover was in the 9 percent 2006 benchmark bond. There were 2,179 bonds listed at the end of last year, which, with a bond turnover of 5,296 billion kroner, makes Copenhagen one of the top five bond markets in the world in volume.

In January this year electronic screen-based trading on Denmark's new options and futures market went on line. The system — unique in the West, the Danes claim — was an instant success. It allows simultaneous trading in options and futures and stocks and bonds, the underlying financial instruments. With electronic trading, market-makers can enter quotes and trade on single screens, bringing Denmark closer to a full electronic market.

The Danish options and futures market opened last September with trading done by telephone or open outcry and an average daily turnover of 1.2 billion kroner, with about 1,000 contracts.

Copenhagen's new electronic bourse operation raises the possibility of closer cooperation with other Nordic stock exchanges, which are also booming. Already Swedish and Norwegian stock exchanges and finance companies are entitled to trade under the new system and further Nordic infiltration is forecast in Copenhagen after last year's easing of restrictions on foreign share ownership by the Swedes, leading some analysts to predict the eventual establishment of a unified Nordic stock market.

The Copenhagen bourse is, however, no newcomer to electronic conversion. In 1983, Denmark became the first country to discard physical bonds altogether, converting its paper-based bond registrations into a computerized electronic system at a new paper securities center — the *Værdipapircentralen*.

Accord Is Likely in Union Talks

By Philip H. Bay

ARHUS — Everybody in Denmark agrees, management as well as labor, that the country must become more competitive and keep costs down if Danes are to avoid having their comfortable life-style intruded upon.

What they cannot seem to agree upon is who should pick up the tab.

With the exception of West Germany, the average worker in Denmark earns more than his counterpart in the other member states of the European Community.

While high labor costs and the state's heavy taxation have influenced the current contract negotiations taking place between the unions and management, most analysts believe an agreement will be reached and a threatened national strike will be avoided.

Even if wage negotiations fail this week, a nationwide strike cannot be called until Monday. And the independent Conciliation Board, led by Mette Kolofod Bjornsen, can postpone a strike and negotiate with labor and management for two 14-day periods.

The main function of the institution is to postpone a national strike as long as possible while negotiating a wage settlement that can be used as a precedent for the entire labor market.

Last weekend, the chief conciliator negotiated wage increases for minimum wage-earners in the cleaning and janitorial service sectors, retail and metal industries. Although a few will receive up to a seven kroner (about \$1) an hour increase over a two-year-period, the average worker will receive an increase of about one kroner an hour.

Industry offered blue-collar trade unions an increase of one kroner an hour by the end of last week. Negotiations finally broke down with 25 ore (6 cents) separating them.

"It is clear that we are now preparing ourselves for a strike," said the chairman of the Metalworkers' Union, Georg Poulsen, after negotiations with the union's general secretary, Finn Thorgrinsson, and the National Employers' Association leader, Hans Skov Christensen, broke down on Monday. "We were told that we should go home and think," said Mr. Thorgrinsson.

Sources here still believe, however, that a settlement will be possible before Monday.

"I think that management and labor will come to an agreement that will be good for our country," said Paul Monggaard, spokesman for the *Landsorganisation*, the national trade union confederation.

"We are well aware of the cost levels of other OECD countries," he said, referring to the Organization for Economic Cooperation and Development, "and that our competitiveness should be better and not deteriorate."

According to the business daily, *Borsen*, a strike would cost the metalworkers' union almost 120 million kroner a week.

Foreign observers have always looked to the Scandinavian countries as examples of how capital and labor can see eye to eye. Institutionalized unions, large state subsidies for the private sector and public ownership of strategic

ally important industries seemed the perfect recipe for uninterrupted industrial growth.

Danish industry, on the other hand, has remained 99 percent private. With the exception of the shipyards, industry has sustained long-term growth without direct government coordination or subsidies.

Unions have apparently been satisfied with having a Social Democrat minority government at the helm, expanding the public sector, while leaving the private sector pretty much alone. Instead of having state-owned industries generate tax revenue, yet rarely profits, for the growing public sector, Social Democrats kept industry private — albeit for a price.

If negotiations do collapse, Prime Minister Poul Schluter has made it clear that the government would intervene to avoid a nationwide strike.

And according to a recent opinion poll, the vast majority of Danes would support government intervention.

Of the eight parties represented in the Folketing, or parliament, only supporters of the Socialist People's Party were against intervention. The poll also showed that 44 percent of the workers questioned would support intervention rather than a strike. Only 33 percent of the workers were against intervention.

In addition, the poll showed that a majority of blue-collar and white-collar workers would be willing to accept a reduction in income tax, rather than increases in pay, if it meant that real wages would remain stable.

Stability in the work force remains, however,

an asset that Danish industry has been able to build on. The last nationwide strike in the country was in 1973. In 1985, there were a few legal strikes that lasted little more than a week.

However, EC investors and industry have not been impressed by this serenity. According to the Danish National Bank, the central bank, the total amount of EC investment in Denmark has fallen from 48.2 percent to 19.4 percent in the last 10 years. The EC's total investment in the past 3.5 years was only 620 million kroner (\$8.6 million).

Labor Minister Henning Dyremose believes that Danish labor still lacks a fundamental understanding of the consequences of 1992 and the single market. "The unions claim that they are adjusting, and I admit that I have begun to see some willingness on their part," he said. "In practice, though, I don't think the unions are prepared. There is a wide gap between the understanding of the leadership, and the workers out in the factories."

The minister fears that the 1987 negotiated settlement of a reduction in the work week to 37 hours will eventually damage the country's competitiveness with other EC member states.

"The problem was that we did not intervene in

Denmark: Signs of Strain / A Special Report

Farmers Facing Multilevel Crisis

By Christopher Follett

COPENHAGEN — Agriculture, once the jewel in Denmark's economic crown and still very much a key factor in the country's infrastructure, is in crisis.

The overall facts are that Denmark is Europe's biggest producer and exporter of farm produce, notably animal products, relative to population. It is the world's top exporter of pork meat and among the world's top four suppliers of butter and cheese.

With two thirds of Denmark's land area devoted to farming, ultra-efficient Danish farmers, who make up 6 percent of the work force, produce enough food for 15 million people, three times the country's population. All in all, 25 percent of Denmark's exports derive from the powerful agricultural sector, which employs 260,000 people on 90,000 farms.

Annual Danish agricultural sales are currently running at 54 billion kroner (\$7.5 billion) or around 6 percent of the gross national product. The main export markets are West Germany, Britain, Italy, France, Japan and the United States.

But, over and above falling exports and prices, fears of a trade

war with the United States and a grave debt problem, two major challenges face the Danish agricultural sector today — planned

cultural Council, the umbrella organization grouping all the country's farmer organizations. "Although we see no alternative

Planned EC reforms and the cost of new anti-pollution measures pose two major challenges.

reforms to the European Community's Common Agricultural Policy and a homegrown threat: ambitious government anti-pollution programs to curb emissions into Denmark's inland and offshore waters from agricultural fertilizers.

"The European Community's budgetary accord last year, which included cuts on farm production, mainly affecting cereals, oil-seeds and vegetables, cost Danish agriculture around 1 billion kroner annually, at a time when the sector is in acute difficulties economically," said Hans Kjeldsen, the president of Denmark's Agri-

to Denmark's membership of the European Community, we do feel strongly that our farmers are unfairly discriminated against due to high — often 18 percent — interest rates on loans taken in the 1970s and 1980s," Mr. Kjeldsen said. "Out of net income, Danish farmers pay 60 percent in interest, compared to around 20 percent in the Netherlands."

The Danish Agricultural Council recently protested European Commission proposals for further cuts in vegetable, cereal and oil-seed prices as part of the EC's 1989 agricultural accord. Fears loom also of the consequences for

Danish bacon and meat producers of a full hormone trade war between the EC and the United States. Denmark exported 2.5 billion kroner worth of pig meat to the United States in 1987, half of it tinned products, amounting to 14 percent of its total meat exports. In addition to the problems of adjustment and adaptation within the EC, the Danish farmer is having to contend with a domestic problem in environmentally conscious Denmark — anti-pollution costs imposed by the government.

The latest package of government anti-pollution plans calls for statutory limits and drastic cuts in nitrogen and phosphorous emissions, the grassing over of fallow field in winter to reduce fertilizer seepage and vast investments in liquid manure and slurry tanks on farms. This would impose a further 4 billion kroner burden on the country's already hard-pressed farmers, with no prospect of any financial return.

Under pressure from the Agricultural Council, the Danish government last summer produced an emergency aid package to help the troubled farm sector. The measures provided more than 1 billion kroner of state aid this year to ease the 23 billion kroner of debt owed by more than 16,000 farms, partly through reduced interest loans.



Denmark's ultra-efficient farmers produce enough food for 15 million people, three times the country's population.

The package was followed up in January by deregulation legislation permitting up to 500 farms to operate experimentally as limited liability companies, enabling them to attract capital from outside investors.

The general purpose of the liberalization is to make it easier for farmers to acquire more land and thus create larger and more viable holdings.

All is not dark, though, as Dan-

ish agriculture looks for untapped markets in South Korea and the Soviet Union. It is also experimenting with "niche" products such as oven-ready dishes and frozen chicken cuts, as well as devel-

oping alternative activities such as mink, deer and fish farming and eel and compost worm cultivation.

CHRISTOPHER FOLLETT writes for The Times of London.



Enzyme fermenters in Novo's Copenhagen factory.

Looking to Jutland

Continued from page 9

Mr. Wilhelm made it clear that the gross rate of corporate tax — 50 percent — had to come down in the near future. He also noted that foreign investors often shunned Denmark because they were not familiar with the system.

"We probably have the highest rate of personal income tax and value-added tax in the Community," he said. "Nevertheless, the net tax paid by corporations in Denmark is quite low because of rather lucrative tax deductions."

Nils Helvig Petersen, the minister of economics, agreed that corporate and personal income taxes should eventually be brought in line with that of other EC countries. When asked what his government would do to compensate for the loss in revenue, he said that the cabinet would present a comprehensive report in June on how it plans to tackle the problem of taxation after 1992. Mr. Petersen added that the government would not be able to drastically reduce VAT, which is 22 percent, in the foreseeable future.

"The government could easily lose up to 40 billion kroner (\$5.6 billion) in revenues," Mr. Petersen said. "This would increase consumption and deteriorate an already poor balance of payments situation."

Ole Andreasen, vice president of the Carlsberg Group, the brewers, pointed out, however, that his products were taxed 600 percent more in Denmark than in West Germany.

"It is a serious problem for us. We have a 159 ore [20 cents] excise tax on our beer per bottle in Denmark," he said. "In Germany, the same bottle of beer is only taxed 18 ore."

Carlsberg was, nevertheless, able to increase profits by 12 percent last year to 924 million kroner.

The discussion of high taxes has yet to dampen the spirits of many

smaller Danish companies that continue to find a market niche far beyond the shores of the North Sea.

With the help of direct governmental encouragement, windmill production has joined the fold of high-tech exports. During the 1980s, smaller companies such as Vestas and Windmanic have sold more than 4,500 windmills in California alone. According to government sources, lucrative tax shelters in Denmark and the United States made this expansion possible.

A newer windmill market recently started in India seems promising, with more than 100 already sold. Merger fever has also swept over this vulnerable business sector. Vestas Wind Systems A/S and Dansk Vindteknik A/S formed Vestas-Danish Wind Technologies this year, strengthening Denmark's 50 percent grasp of the world market.

Despite the government's proclamations about the EC and 1992, most major Danish corporations have long since become international. Lego, East Asiatic Company, Carlsberg, Danfoss and Portland Cement have overseas and foreign commitments, which often far outstrip earnings from the Danish market.

Business leaders and government officials agree that Denmark will benefit from the internal market after 1992.

"The eventual harmonization taking place after 1992 will at the very least mean that we can be on equal terms with our European competitors," said the president of Skandinavisk Tobakskompagni, Hugo Schroder.

Mr. Wilhelm agreed with Mr. Schroder. "As a small country within the Community, we need to have the existing trade barriers lifted," he said. When asked which countries were more restrictive than Denmark, he said that "with the exception of Luxembourg, more or less all of them have more trade restrictions than we do."



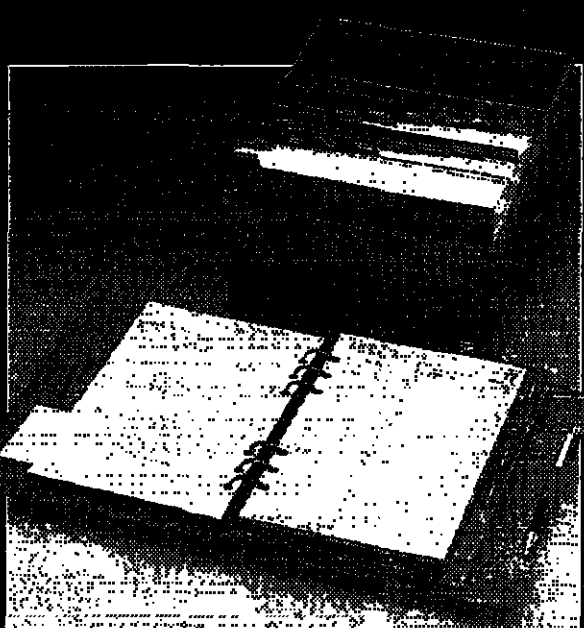
This moment was planned

Gaining a crucial contract is the result of vision and effective planning.

Time/system is the logical link between plans and results. A tool to plan a common course for you and your associates.

This A5-format planning system provides you with an overview of all your short, medium and long term responsibilities. It gives you a well-structured data file on current projects.

In short: Time/system ensures that you have exactly the information you need. Exactly when you need it.



Time/system
— the logical link
between plans and results

Available in 20 countries in 12 languages.

For further information, please phone: Austria: +43 72 32 30 650 · Belgium: +32 3 652 0684 · Canada: +1 416 629 54 63 · Denmark: +45 227 66 11 · Finland: +358 069 33 277 · France: +33 1 40 60 40 60 · Great Britain: +44 6264 76071 · Italy: +39 55 24 19 41 · Norway: +47 2 19 48 00 · Spain: +34 1410 52 47 · Sweden: +46 8 734 39300 · Switzerland: +41 853 20 00 · The Netherlands: +31 73 56 05 35 · USA: +1 800 637 9942 · West Germany: +49 40 553 00 553 · All other countries: Please call Denmark.

WHERE TO GO IN DENMARK

RESTAURANTS
COPENHAGEN

RICHMOND

DELICIOUS QUICK LUNCH & "à la carte"
12:15 p.m. DINNER 5:30-10:30 p.m. SPEC.
PLANNED DISHES. Late dining 10:30 p.m.-
4:30 a.m. Res. 45-1-129705 daily.
Vester Farnevejsgade 33, 1625 Copenhagen V.

RESTAURANTS
COPENHAGEN

KONG HANS

Exclusive restaurant with exquisite cuisine
and select wines. Central location. Open
6:30 p.m. Closed Sunday.
Vingårdsvej 9, Tel. 01 11 68 66.
LES ETOILES - ET UNE ROSE
General restaurant, excel. wine. Central.
Dr. Tveergaade 43. +45-1-150554.

AMEX Most Active					
	Vol.	High	Low	Last	Chg.
AmerInt	4108	18 3/4	18 1/4	18 3/4	+ 1/4
IndTech	3247	8 1/4	8 1/4	8 1/4	+ 1/4
CalVox	3174	18 1/4	17 3/4	18 1/4	+ 1/4
Moore	2633	17 3/4	17 1/4	17 3/4	+ 1/4
FasAur	2633	18 1/4	18 1/4	18 1/4	+ 1/4
EchoB	2663	18 1/4	18 1/4	18 1/4	+ 1/4
TimCo	2548	9 1/4	9 1/4	9 1/4	+ 1/4
MoogCo	2378	7 1/4	7 1/4	7 1/4	+ 1/4
DePaCo	2372	17 3/4	17 3/4	17 3/4	+ 1/4
WangS	2197	22 3/4	22 3/4	22 3/4	+ 1/4
DWG	2078	7 3/4	7 3/4	7 3/4	+ 1/4
EAL	1921	18 1/4	18 1/4	18 1/4	+ 1/4
ntwidE	1742	8 1/4	8 1/4	8 1/4	+ 1/4

High	Low	Close	Chg
327.49	321.21	322.47	+7.85

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

The American Stock Exchange index climbed 1.05, to 322.47. The price of an average share added 4 cents. Advances led declines by about a

Stock	1891	1892	1893	1894	1895	1896	1897	1898	1899	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000
-------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

姓名	性别	年龄	籍贯	职业	住址	备注
王德胜	男	45	山东	农民	山东烟台	
李德胜	男	40	河北	工人	河北保定	
张德胜	男	35	河南	商人	河南郑州	
赵德胜	男	30	江苏	教师	江苏南京	
刘德胜	男	25	浙江	学生	浙江杭州	
陈德胜	男	20	安徽	医生	安徽合肥	
周德胜	男	15	江西	记者	江西九江	
吴德胜	男	10	福建	工程师	福建福州	
孙德胜	男	5	广东	会计师	广东广州	
郑德胜	男	0	广西	建筑师	广西桂林	
冯德胜	男	45	四川	农民	四川成都	
马德胜	男	40	湖南	工人	湖南长沙	
朱德胜	男	35	湖北	商人	湖北武汉	
徐德胜	男	30	陕西	教师	陕西西安	
高德胜	男	25	山西	学生	山西太原	
何德胜	男	20	辽宁	医生	辽宁沈阳	
周德胜	男	15	吉林	记者	吉林长春	
吴德胜	男	10	黑龙江	工程师	黑龙江哈尔滨	
孙德胜	男	5	内蒙古	会计师	内蒙古呼和浩特	
郑德胜	男	0	宁夏	建筑师	宁夏银川	
冯德胜	男	45	甘肃	农民	甘肃兰州	
马德胜	男	40	青海	工人	青海西宁	
朱德胜	男	35	新疆	商人	新疆乌鲁木齐	
徐德胜	男	30	西藏	教师	西藏拉萨	
高德胜	男	25	云南	学生	云南昆明	
何德胜	男	20	贵州	医生	贵州贵阳	
周德胜	男	15	四川	记者	四川成都	
吴德胜	男	10	重庆	工程师	重庆重庆	
孙德胜	男	5	湖南	会计师	湖南长沙	
郑德胜	男	0	湖北	建筑师	湖北武汉	
冯德胜	男	45	江西	农民	江西九江	
马德胜	男	40	福建	工人	福建福州	
朱德胜	男	35	广东	商人	广东广州	
徐德胜	男	30	广西	教师	广西桂林	
高德胜	男	25	四川	学生	四川成都	
何德胜	男	20	湖南	医生	湖南长沙	
周德胜	男	15	湖北	记者	湖北武汉	
吴德胜	男	10	陕西	工程师	陕西西安	
孙德胜	男	5	山西	会计师	山西太原	
郑德胜	男	0	辽宁	建筑师	辽宁沈阳	
冯德胜	男	45	吉林	农民	吉林长春	
马德胜	男	40	黑龙江	工人	黑龙江哈尔滨	
朱德胜	男	35	内蒙古	商人	内蒙古呼和浩特	
徐德胜	男	30	宁夏	教师	宁夏银川	
高德胜	男	25	甘肃	学生	甘肃兰州	
何德胜	男	20	青海	医生	青海西宁	
周德胜	男	15	新疆	记者	新疆乌鲁木齐	
吴德胜	男	10	西藏	工程师	西藏拉萨	
孙德胜	男	5	云南	会计师	云南昆明	
郑德胜	男	0	贵州	建筑师	贵州贵阳	
冯德胜	男	45	四川	农民	四川成都	
马德胜	男	40	重庆	工人	重庆重庆	
朱德胜	男	35	湖南	商人	湖南长沙	
徐德胜	男	30	湖北	教师	湖北武汉	
高德胜	男	25	江西	学生	江西九江	
何德胜	男	20	福建	医生	福建福州	
周德胜	男	15	广东	记者	广东广州	
吴德胜	男	10	广西	工程师	广西桂林	
孙德胜	男	5	四川	会计师	四川成都	
郑德胜	男	0	湖南	建筑师	湖南长沙	
冯德胜	男	45	湖北	农民	湖北武汉	
马德胜	男	40	陕西	工人	陕西西安	
朱德胜	男	35	山西	商人	山西太原	
徐德胜	男	30	辽宁	教师	辽宁沈阳	
高德胜	男	25	吉林	学生	吉林长春	
何德胜	男	20	黑龙江	医生	黑龙江哈尔滨	
周德胜	男	15	内蒙古	记者	内蒙古呼和浩特	
吴德胜	男	10	宁夏	工程师	宁夏银川	
孙德胜	男	5	甘肃	会计师	甘肃兰州	
郑德胜	男	0	青海			

(Continued on next left-hand page)

WEDNESDAY, MARCH 1, 1989

Page 13

MEDIA MARKETS

Team Tailors Ad Drives So They Can Travel Well

By RANDALL ROTHENBERG

New York Times Service

NEW YORK — When Goodyear Tire & Rubber Co. introduced its new advertising campaign in 36 countries three years ago, it owed to a single slogan: "Goodyear, Take Me Home." But the commercials were distinct for each market.

In Britain, the product's image and attributes were conveyed by a husband and wife conversing in their car. In the Netherlands, the visuals were identical but the announcer did the talking. In the Philippines, the spot used emotional scenes of families reuniting, while in Brazil, the ad ended on a visual joke, with an angry bald-headed man complaining to a startled couple that they had connected his trailer to their car.

Both the consistency and the contrasts were the doing of the International Team, McCann-Erickson's global advertising unit, which is 10 years old this year. Once a daring experiment in the nascent science of worldwide marketing, the team is now a fixture at the world's sixth-largest ad agency. It translates American products for increasingly affluent audiences around the world.

Starting with a crew of four people, the International Team now has a staff of 25 in McCann's New York headquarters. The team, a veritable United Nations of people from Japan, Africa, Brazil, China and Britain, invests advertising for 43 clients in three or more countries and has grown from handling \$750,000 worth of production in its first year to more than \$20 million in 1988.

Marcio M. Moreira, McCann's vice chairman and international chief creative officer, recounted how Coca-Cola Co., his agency's most significant client, had been worried that its advertising was subject to what he called the "brown-envelope syndrome." Mr. Moreira said this occurs "when something is created in New York and sent in a brown envelope to offices overseas with instructions to translate." What Coca wanted was a division comprised of people from around the world who could adapt its campaigns according to country.

Starting with the "Coke Is It" ads in 1981, no Coca-Cola campaign has been created without the participation of the International Team.

VARIATIONS AMONG ADS are based on careful research on the customs of different countries. In the Goodyear campaign, for example, the specific product being promoted — the Eagle high-performance tire — already existed in Britain. Therefore, the desire for the advertisements was simply to set a mood. But in the Netherlands, the tire was just being introduced, thus the need for a voice-over announcer. The Philippines focused on family reunions because "emotionality is more important in the Philippines than in Britain," Mr. Moreira said. And in Brazil, the commercial ended on a joke because Goodyear's ads there are known for their humor.

How do you advertise a \$65,000 custom-built automobile, of which only 5,000 are produced each year? For Burkhardt & Christy, one strategy is an ad appearing in magazines like Town & Country and Connoisseur magazines that says, "You can't buy this car."

While the ad refers only to the fact that the German-made Bitter sports car will not be available in the United States until next year, it is meant to set a tone of exclusivity, said Ron Burkhardt, president of the small New York agency, which won the Bitter account car two weeks ago.

Named for its designer, Erich Bitter, a former race car driver, the Bitter is a two-seat convertible that comes equipped with a cellular telephone.

GM Ends Hughes Dispute

Carmaker to Pay Nearly \$1 Billion

Compiled by Our Staff From Dispatches

NEW YORK — General Motors Corp. said Tuesday that it would pay Howard Hughes Medical Institute \$975 million in cash and notes for 35 million shares of GM class H stock, and the automaker added it would stop contesting the \$5.2 billion price it paid the institute for Hughes Aircraft Co.

Under agreements relating to the 1985 purchase of Hughes Aircraft, GM was obliged to make payments to Hughes Medical if the price of General Motors class H stock fell below \$30 a share at the end of 1989.

GM's class H stock fell \$1.25, to \$28.75 a share, on the New York Stock Exchange on Tuesday. General Motors' regular common shares, meanwhile, rose 25 cents, to \$85.375.

The arrangement terminated arbitration proceedings between GM and the California-based Hughes Institute in connection with the purchase price of Hughes Aircraft.

GM had sought to reduce the price it paid for Hughes Aircraft because of losses on government contracts that originated before the purchase. GM paid \$2.7 billion plus 100 million shares of the class H stock, whose dividends are tied to the profits of what is now called GM Hughes Electronics.

"Most people agree GM paid too much for Hughes," said Michael Luckey, an industry analyst who heads his own consulting firm in Cresskill, New Jersey. "Both GM and Hughes may have been concerned with the relatively low value of the class H stock."

Under the agreement announced Tuesday, GM would pay Hughes Medical \$675 million cash and \$300 million in notes. In return, Hughes would sell its 35 million class H shares and relinquish all stock price guarantee rights.

GM said Hughes Medical would hold 55 million class H shares subject to two kinds of options. Under a series of puts, Hughes Medical could force GM to buy the shares for \$30 each, while call options allowed GM to buy the stock for \$35 to \$37.50 a share from 1991 to 1995. GM said Hughes Medical would retain the balance of its class H stock, 9.5 million shares, in its core investment portfolio.

Howard Hughes, the billionaire and aviation pioneer who died in 1966, established the institute in 1953 to shelter income from Hughes Aircraft. Despite its name, the company never made airplanes; it produces missiles, satellites and electronics equipment.

Leon Krain, GM's treasurer, said the arrangement would result in a higher percentage of Hughes' income allocated to General Motors regular common stock. He said the amount would rise to 77 percent from 68 percent. (UPI, Reuters)

Top European Cars Losing Status?

High Prices and Falling Prestige Value Erode Market

By Doron P. Levin

New York Times Service

DETROIT — A loss in the status value of owning a European luxury car has reduced the number of people willing to pay from \$20,000 to more than \$75,000 for what one Saab-Scania AB official describes as "really only four-wheeled personal transportation boxes with a lot of image," industry executives say.

Sales of Mercedes-Benz, Porsche, BMW, Saab, Volvo, Jaguar and Audi automobiles, once the major symbols of 1980s affluence, have sharply fallen in the last two years.

Sales have been hurt by higher prices, changes in the tax laws and exchange rates, Japanese competition and markedly improved American luxury cars, executives say.

But a nagging worry is that sales of European luxury cars seem to be suffering from something more fundamental.

"Buying a car for more than \$10,000 or \$15,000 is a decision that has a certain amount of emotion in it," a spokesman for BMW said. "Have our cars ceased to be status symbols? It's a serious question."

Robert Sinclair, president of Saab's import arm in the United States, said many Americans have become put off by ostentatious displays of greed and a growing number of people regard lavish spending as socially irresponsible.

"It's the change from the me-too yuppie era," Mr. Sinclair said. "People are seeking more traditional values."

Mr. Sinclair delivered this appraisal to Saab directors in October; they had come to New York to discuss why American sales of the Swedish luxury car had dropped to 38,490 cars in 1988 from 48,086 in 1986.

During that period, the price of Saab's least expensive car rose to \$17,000 from \$12,300, while the most expensive model soared to \$32,100 from \$23,700.

Making generalizations about buyer psychology is a tricky business. But market researchers have found evidence of a shift in attitude.

"Luxury cars are still a symbol of success, but the consumer is becoming much more pragmatic," said Sandy Hoffman, senior vice president of Roper Group, a consulting firm. "The focus on self, while still there, is muted."

Daniel Yankelovich Group, which surveys public opinion, found last year that "the crash of 1987 was a psychological watershed for affluent buyers, as well as a group we call the young aspirers," said David Meer, senior vice president.

Among households with annual incomes of \$100,000 or more, "a sense of caution and limits has entered their thinking," Mr. Meer said.

Concern with the environment, government budget deficits and the economy for the final 1988 quarter.

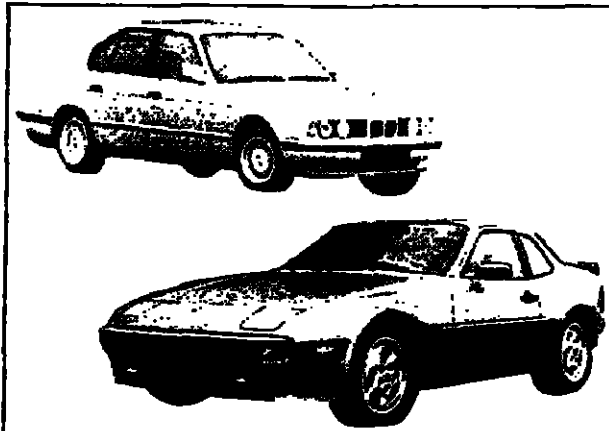
"The composition of GNP growth was disturbing," Mr. Steinberg said. "All of the increase was in consumer and government spending, but net exports and investment spending declined, and by more than was first reported."

"If you look at where the economy was getting its momentum, it was from all the wrong places."

Consumer spending was revised higher to a 3.5 percent gain in the fourth quarter from a 2.8 percent rise initially reported. Government spending was 18.3 percent above its third-quarter level.

Net exports, the measure of the quarterly trade balance, widened to a deficit of \$103.3 billion from the last reported \$100.7 billion. Business investment fell by 4.6 percent.

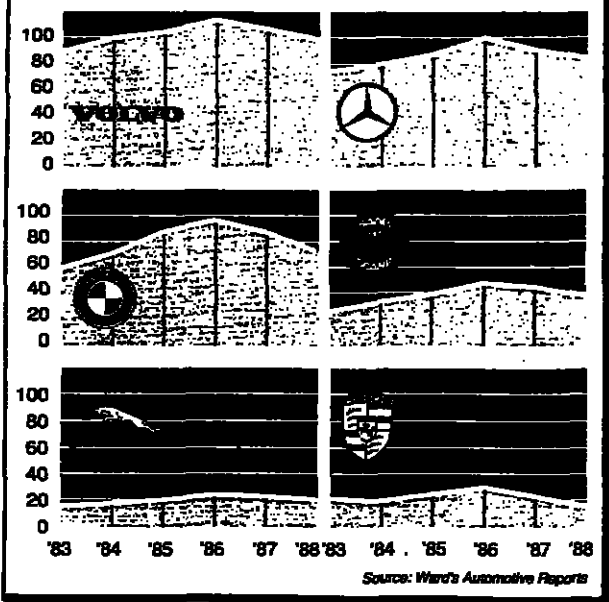
(Reuters, AP)



U.S. sales of European luxury cars, including those of BMW, above, and Porsche, have fallen sharply in the past two years.

After Steady Growth, Imports Slide

In thousands of cars.



Source: Ward's Automotive Reports

becoming much more pragmatic," said Sandy Hoffman, senior vice president of Roper Group, a consulting firm. "The focus on self, while still there, is muted."

Daniel Yankelovich Group, which surveys public opinion, found last year that "the crash of 1987 was a psychological watershed for affluent buyers, as well as a group we call the young aspirers," said David Meer, senior vice president.

Among households with annual incomes of \$100,000 or more, "a sense of caution and limits has entered their thinking," Mr. Meer said.

Concern with the environment, government budget deficits and the economy for the final 1988 quarter.

"The composition of GNP growth was disturbing," Mr. Steinberg said. "All of the increase was in consumer and government spending, but net exports and investment spending declined, and by more than was first reported."

"If you look at where the economy was getting its momentum, it was from all the wrong places."

Consumer spending was revised higher to a 3.5 percent gain in the fourth quarter from a 2.8 percent rise initially reported. Government spending was 18.3 percent above its third-quarter level.

Net exports, the measure of the quarterly trade balance, widened to a deficit of \$103.3 billion from the last reported \$100.7 billion. Business investment fell by 4.6 percent.

(Reuters, AP)

Currency Rates

Cross Rates	Feb. 28
Amsterdam	2.864
Bremen (D)	36.350
Frankfurt	1.204
London (S)	1.7445
Milano	1,349.55
New York (C)	1.204
Paris	6.5595
Tokyo	127.15
Zurich	1.5045
1 Swiss	1.1585
1 SDR	1.3215

Closing in London, Tokyo and Zurich, Europe in other centers. New York rates of 4 P.M. a. Commercial franc; b. To buy one pound; c. To buy one dollar; d. Units of 100; N.G.: not quoted; N.A.: not available.

Other Dollar Values	Feb. 28
Currency	Per \$
Australian	1.261
Belgian	36.350
British	1.7445
Canadian	1.109
Chinese	1,349.55
Dutch	6.5595
French	1.204
German	2.864
Italian	1,349.55
Japanese	127.15
Swiss	1.5045
1 Swiss	1.1585
1 SDR	1.3215

Forward Rates

Currency	30-day	60-day	90-day	180-day
Pound Sterling	1.7415	1.7255	1.7200	1.7000
Japanese yen	126.27	125.80	125.20	124.50
Deutsche mark	1.8174	1.8128	1.8080	1.8000

Sources: Indus Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Paribas de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAU (dollar, franc, dirham); Goldman (triple). Other data from Reuters and AP.

Interest Rates

Barocurrency Deposits	Feb. 28
1 month	10 1/8 - 10 1/4
3 months	10 1/4 - 10 1/2
6 months	10 1/2 - 10 3/4
1 year	10 3/4 - 10 7/8

Sources: Morgan Guaranty (Dollar, DM, SF, Pound, FF, yen); Lloyds Bank (ECU); Reuters (SFR).

Notes applicable to overnight deposits of \$1 million minimum (or equivalent).

Key Money Rates Feb. 28	Feb. 28
United States	1.00
Discount rate	11 1/2
Federal funds	7 1/2 - 8 1/2
Call money	8 1/2 - 9 1/2
1-month Treasury bills	8 1/2 - 9 1/2
3-month Treasury bills	8 1/2 - 9 1/2
6-month Treasury bills	8 1/2 - 9 1/2
1-year Treasury bills	8 1/2 - 9 1/2

Sources: Federal Reserve Bank of New York; Wall Street Journal.

Asian Dollar Deposits Feb. 28	Feb. 28
1 month	10 1/8 - 10 1/4
3 months	10 1/4 - 10 1/2
6 months	10 1/2 - 10 3/4
1 year	10 3/4 - 10 7/8

Sources: Reuters.

U.S. Money Market Funds Feb. 28	Feb. 28
Merrill Lynch Ready Assets	8.59
Telestar Interest Rate Index	9.45

Sources: Merrill Lynch, Telestar.

Gold Feb. 28	Feb. 28
1 ounce	353.75
100 ounces	35,375
1 kilogram	353.75
1 ton	353,750

Sources: Reuters, Bank of Tokyo & Co. (London); Commodity Credit Corp. (London).

LASMO Pays \$350 Million For Oil Unit

Reuters

LONDON — London & Scottish Marine Oil PLC said Tuesday that it would buy the North Sea interests of International Thomson Organisation Ltd. for \$350 million (\$623 million).

LASMO, one of Britain's biggest independent oil and gas exploration companies, said the purchase of Thomson North Sea Holdings from Thomson, based in Toronto, would almost double its North Sea production, to 49,000 barrels of oil per day from 25,700 barrels in 1988.

The enlarged concern is expected to have global output of 90,000 barrels of oil per day by the end of 1989, it said.

The company set a \$158 million rights issue on the basis of two new shares for every one held and said the balance of the purchase would be funded by long-term borrowings.

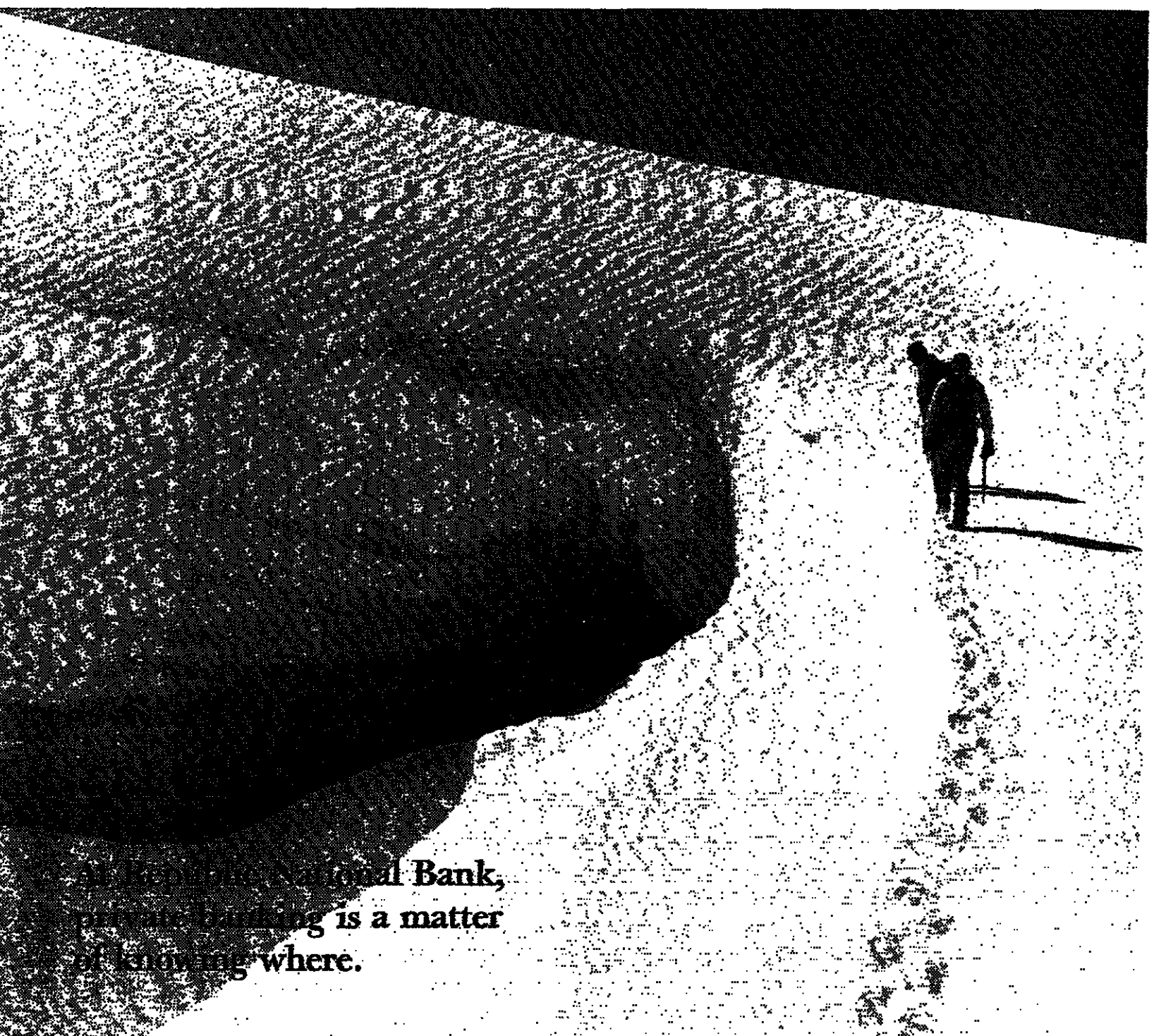
LASMO also forecast that net profit for 1988 would be at least \$25 million, compared with \$22 million in 1987. It said that forecast assumed that its share of Enterprise Oil PLC profit would amount to \$18 million. In December, LASMO sold its 25.2 percent holding in Enterprise to Societe Nationale Elf Aquitaine of France.

It projected 1988 revenue of around \$150 million, compared with \$176 million in 1987.

Production rose in 1988, the company said, but revenue was lower because of weak oil prices. In January, however, production was more than 65,000 barrels per day, and oil prices were firmer than they had been in some time, it said.

The company's shares plunged 42 pence, to 422 pence, after the announcement but recovered to 431 by the close of trading on the London Stock Exchange.

The purchase price includes Thomson North Sea's net current assets of \$47.5 million and assumption of the Scapa Field limited-recourse debt of \$8 million. International Thomson said separately.



Setting a safe course in an unfamiliar investment environment requires the help of an expert with local knowledge. Republic National Bank's presence in 27 business centres constitutes a global private-banking resource. Our international staff combine a long experience of local conditions

with a commitment to the bank's principle of protecting customers' assets. Republic National Bank. A matter of trust.

REPUBLIC NATIONAL BANK OF NEW YORK (SUISSE) SA



A SAFRA BANK

HEAD OFFICE: 2, PLACE DU LAC, 1204 GENEVA, TEL. (022) 28 18 10. FOREX: (022) 29 05 05. BRANCHES: 1, VIA CANOVA - 6901 LUGANO - TEL. (091) 23 85 32 - SARINIA HOUSE - LE TRUCROT - ST. PETER PORT - GUERNSEY - TEL. (481) 711 741. SAFA REPUBLIC GROUP: PARIS, MONTREUIL, LUXEMBOURG, GIBRALTAR, GENEVE. REPUBLIC NATIONAL BANK GROUP: NEW YORK, MIAMI, LOS ANGELES, BEVERLY HILLS, CINCINNATI, HENRI, MONTREAL, SAGUAY, CAYMAN ISLANDS, LONDON, MILAN, REIMS, TRING, VIENNA, ZURICH, TOKYO, HONG KONG, SINGAPORE, MONTENEGRO, LAMARCA, MEXICO CITY, PANAMA, PORTO RICO, SAN PABLO.

Unilever's Profit Grew 9% in 1988

British-Dutch Combine Sees Slight Slowdown This Year

Compiled by Our Staff From Dispatches

LONDON — The Unilever group, the British-Dutch consumer-products conglomerate, reported Tuesday a 9.0 percent rise in 1988 combined pretax profit, to £1.45 billion (\$2.53 billion) from £1.33 billion the year before.

Unilever, which earlier this month announced the purchase of the U.S.-based Fabergé and Elizabeth Arden cosmetics and toiletries businesses for \$1.55 billion, said its fourth-quarter pretax profit rose 25.2 percent, to £383 million from £306 million in the 1987 quarter.

The company, whose products range from detergents to frozen foods, is one of the world's top consumer concerns. It reported total 1988 sales of £17.12 billion, up 3.4 percent from £16.55 billion the year before.

In Dutch guilders terms, fourth-quarter profit rose 25.5 percent, to 1.28 billion guilders from 1.02 billion, making 5.26 billion guilders for the year, up from 4.42 billion in 1987, or a 19.0 percent rise.

The chairman, Michael Angus, said 1988 "was another year of substantial progress throughout our business, reflecting our emphasis on profitable growth."

The results were in line with market expectations and Unilever PLC shares fell 12.3 pence on the London Stock Exchange, to 523 pence. In Amsterdam, Unilever NV stock rose a sharp 2.50 guilders, to 129.00 at the opening, but eased to 126.60 guilders after the results.

In Rotterdam, the co-chairman, Floris Maljers, said he expected

slower profit growth in 1989, noting that last year's improved results were partly due to a major reorganization of the conglomerate's activities, which started in 1984.

Unilever said internal growth remained its priority, though it noted acquisitions during 1988 totaled \$630 million. A number of strategic areas had been targeted for investment, the group said, including the skin-care and fragrances markets.

The Fabergé purchase from Riklis Family Corp. of the United States will add key brands including Fabergé, Brut, Aquanet, Elizabeth Arden and the prestigious Chloé and Lagerfeld perfumes to Unilever's range and will pit it against L'Oréal of France for the No. 1 position in the global personal-products market.

Mr. Angus said food was another area for expansion, particularly in the high-quality sector. Bakery products, catering, cleaning-systems and specialty chemicals also have growth potential.

He said growth in the United States in 1988 was at a more normal level in the wake of significant volume increases, helped by acquisitions and brand launches over the last few years. Unilever is continuing to build up its business in Japan and to invest in other Far East markets, he said.

Combined operating profit in Europe rose 12.3 percent, to £886 million for the year from £789 million the year before, while profit in North America grew 17.6 percent, to £281 million from £239 million.

Earnings elsewhere in the world advanced marginally, to £349 mil-

lion from £345 million, making an operating total of £1.52 billion, up 10.9 percent from £1.37 billion.

Unilever PLC, the British-quoted arm of the group, reported a 24.3 percent increase in per-share earnings for the fourth quarter, to 12.38 pence from 9.96, making 44.68 pence for the year against 40.54 pence. The company declared a final dividend of 9.51 pence for a 1988 total of 13.40 pence, up from 12.09 pence in 1987.

Unilever NV, the Dutch side, said per-share earnings rose 35.9 percent, to 2.99 guilders from 2.20 guilders for the quarter, making 10.78 guilders for the year, up from 8.97 in 1987. It declared a final dividend of 3.06 guilders making a total of 4.29 guilders, up from 3.62.

Mr. Maljers, the co-chairman, said Unilever is now ready to start a new phase of development. This would involve further strengthening of the core activities as well as branching into new areas, he said.

In foods, the company would focus on quality convenience foods. "By quality, we mean food that is healthy, than can be preserved easily and tastes good," he said. "If you look at our acquisitions in 1988 you can see that we are already moving in this direction."

Unilever acquired the French chilled-meats concern Plaisier & la Carte in 1988, and earlier this month, it announced it intended to buy the Dutch convenience-meats maker Profod.

Another important area of expansion is food and ingredients for industrial customers, Mr. Maljers said. (Reuters, AFP)

Company Results

Year	1988	1987	1986
Revenue	1,210	1,147	1,000
Profit	640	700	700
T: Trillion			

Year	1988	1987	1986
Revenue	1,210	1,147	1,000
Profit	640	700	700
T: Trillion			

Year	1988	1987	1986
Revenue	1,210	1,147	1,000
Profit	640	700	700
T: Trillion			

Year	1988	1987	1986
Revenue	1,210	1,147	1,000
Profit	640	700	700
T: Trillion			

GT DEUTSCHLAND FUND

Société d'Investissement à Capital Variable
2, Boulevard Royal, L-2953 LUXEMBOURG
R.C. Luxembourg B-25023

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN to shareholders in GT DEUTSCHLAND FUND that as the quorum required at the Extraordinary General Meeting held on February 23, 1989 was not obtained, a second Extraordinary General Meeting will be held at the registered office of the Fund on March 30, 1989 at 3:00 p.m. to consider the following agenda:

- To amend the Articles of Incorporation so as to adjust such Articles in order to satisfy the requirements of the Law of March 30, 1988; and
- To amend the Articles of Incorporation so as to make certain further adjustments to the Articles, including the removal of the requirements for notices to be sent to registered shareholders by registered mail, to amend the facility to reduce or defer redemption requests in particular circumstances, to provide for the annual distribution of at least 85 percent of the net investment income and to revise the fee structure.

Shareholders are advised that no quorum is required at the Extraordinary General Meeting and that decisions will be taken at a majority of 2/3 of the shares present or represented at the meeting.

THE BOARD OF DIRECTORS

GT UK SMALL COMPANIES FUND

Société d'Investissement à Capital Variable
2, Boulevard Royal, L-2953 LUXEMBOURG
R.C. Luxembourg B-25066

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN to shareholders in GT UK SMALL COMPANIES FUND that as the quorum required at the Extraordinary General Meeting held on February 23, 1989 was not obtained, a second Extraordinary General Meeting will be held at the registered office of the Fund on March 30, 1989 at 3:00 p.m. to consider the following agenda:

- To amend the Articles of Incorporation so as to adjust such Articles in order to satisfy the requirements of the Law of March 30, 1988; and
- To amend the Articles of Incorporation so as to make certain further adjustments to the Articles, including the removal of the requirements for notices to be sent to registered shareholders by registered mail, to provide for the annual distribution of at least 85 percent of the net investment income and to revise the fee structure.

Shareholders are advised that no quorum is required at the Extraordinary General Meeting and that decisions will be taken at a majority of 2/3 of the shares present or represented at the meeting.

THE BOARD OF DIRECTORS

GT US SMALL COMPANIES FUND

Société d'Investissement à Capital Variable
2, Boulevard Royal, L-2953 LUXEMBOURG
R.C. Luxembourg B-25176

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN to shareholders in GT US SMALL COMPANIES FUND that as the quorum required at the Extraordinary General Meeting held on February 23, 1989 was not obtained, a second Extraordinary General Meeting will be held at the registered office of the Fund on March 30, 1989 at 4:00 p.m. to consider the following agenda:

- To amend the Articles of Incorporation so as to adjust such Articles in order to satisfy the requirements of the Law of March 30, 1988; and
- To amend the Articles of Incorporation so as to make certain further adjustments to the Articles, including the removal of the requirements for notices to be sent to registered shareholders by registered mail, to amend the facility to reduce or defer redemption requests in particular circumstances, to provide for the annual distribution of at least 85 percent of the net investment income and to revise the fee structure.

Shareholders are advised that no quorum is required at the Extraordinary General Meeting and that decisions will be taken at a majority of 2/3 of the shares present or represented at the meeting.

THE BOARD OF DIRECTORS

REPUBLIC OF IVORY COAST

Tender No. 2920/DMP

- The National Telecommunications Office of the Ivory Coast has obtained a loan from the I.B.R.D., in various currencies, to finance the cost of the project concerning the refurbishing of the equipment and the strengthening of the maintenance of the services.

It is planned that a portion of the funds granted for this loan will be used to carry out payment for a project covering the supply and installation of a system for the control of the radio-electric programmes on the Ivory Coast.

- The National Telecommunications Office invites, with this Tender, those candidates who are allowed to take part to present their bids under sealed envelope for the supply and installation of a control system of the radio-electric programme within the N.T.O.

- The candidates who are allowed to bid can obtain further information and examine the Tenders files in the Office of the Chef de Services des Marchés, located on the 12th floor of POSTEL 2001, door 12-07. Phone: 34.67.61 or 34.68.12 - Telex No. 23790 or 23750, ABIDJAN.

- Any candidate who is allowed to bid and who is interested in the present Tender can buy a complete set of Tender documents, by writing to the above-mentioned Department, or after consulting the Charge Books, for a payment of around 200,000 CFA francs, which will not be paid back.

- Each bid must be accompanied by a deposit on tender of 1.5% of the total amount of the bid. This deposit must be put forward at the same time as the Bids to the Service des Marchés, Immeuble POSTEL, 2001, door 12-07, ABIDJAN-CI at the latest on the 13th of March 1989 5.00 p.m. imperatively.

- The files will be opened in the presence of the bidding representatives who wish to be present at the opening on the 14th of March 1989 at 3.00 p.m. at La Rotonde de la Cité Financière, in ABIDJAN-PLATEAU.

NTT Sees Fall In 1990 Profit

Reuters

TOKYO — Nippon Telegraph & Telephone Corp. estimated Tuesday that current profit in the year to March 31, 1990, would fall to 435 billion yen from 496.74 billion yen in 1987-88.

NTT made the forecast in its operating plan submitted to the Posts and Telecommunications Ministry for approval.

NTT's president, Haruo Yamaguchi, said earlier this month the communications giant's current profit to March 31 this year would not decline from 1987-88, though NTT had earlier forecast a fall to 425 billion yen.

An NTT spokesman attributed the lower 1989-90 forecast to increased competition from recent entrants into the domestic telecommunications market.

STC Pretax Profit Up 22%

Reuters

LONDON — STC PLC, the British computer and telecommunications concern, said Tuesday that pretax profit for 1988 had risen 22.3 percent, to £230 million (\$400 million) from £188 million.

The company said the results, which were slightly higher than market expectations, were the result of strong growth in orders and continuing success with cost-cutting measures.

Revenue for the year rose 14.0 percent, to £236 billion from £207 billion. Revenue outside Britain grew by 30 percent in 1988 after a flat 1987, the company reported.

STC said operating profit rose 16.8 percent, to £234 million from £191.2 million. At year-end, STC had £283 million in cash, against £196 million at the end of 1987.

ICL, its computer and data-processing subsidiary, raised operating profit despite higher research and development spending, the compa-

ny said. Its strongest markets in Britain were in financial services and local government. Internationally, the subsidiary did best in North America, Africa and the Middle East.

Orders for submarine cables, in which STC specializes, rose fourfold and contributed to a 50 percent improvement in sales of its communications division, STC said.

Telecommunications sales grew by more than 13 percent despite reduced revenue from the phasing out of STC's TX-4 exchange. It is continuing strategic development with Northern Telecom on flexible access transmission systems, STC said.

Despite a rise in product development costs, operating profit in this sector grew 22 percent, it said, to £90 million.

Shares in STC slipped one penny on the London Stock Exchange, falling to 308.

France, Belgium Vie For Producer Groups

Reuters

LONDON — France and Belgium have begun vying to lure the major international sugar and wheat organizations away from London to set up their headquarters in Paris or Brussels.

Jean Parrotte, head of the International Wheat Council, said Monday French and Belgian government officials had made attractive offers that would have to be carefully studied.

The wheat council, which represents 48 wheat producing and consuming nations, and the International Sugar Organization, which has 56 members, have said they might be forced to move their headquarters when the lease on the premises they share in London runs out at the end of this year.

Soaring commercial rents in London mean they could face a

threefold increase in rent for their building, officials from both organizations said.

The British government has so far refused to offer a subsidy so they will probably be forced to move after the end of 1989, the two organizations said.

France is offering rent-free accommodations in Paris for five years, while Belgium is promising low, stable rent, with an element of subsidy.

London is also host to international coffee and cocoa organizations, which have just negotiated new leases on their joint headquarters that run until March 1991.

Officials said a decision by the wheat and sugar organizations to leave London while the cocoa and coffee organizations remain would cause problems for some member countries, like Brazil and Cuba,

which have the same representatives appointed to all four organizations.

Bruno Caron, a French government representative, said Paris might be willing to accommodate the coffee and cocoa organizations as well if it proves difficult for them to maintain their current premises in London.

The International Wheat Council monitors the global grain trade. Its forecasts for world grain output are closely followed by major commodity exchanges.

The International Sugar Organization is largely a central meeting place for major sugar importers and exporters to discuss the world sugar trade. Since the expiration of the International Sugar Agreement in 1984, it has had no powers to control the market by asking exporters to limit shipments.

This advertisement is issued in compliance with the requirements of the Council of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("The Stock Exchange").



ALLIED LONDON PROPERTIES Plc

(Incorporated and registered in England No. 104394)

Placing of a further tranche of £35,000,000
10% per cent. First Mortgage Debenture Stock 2025
at £101.320 per cent., payable in full on acceptance

The Council of The Stock Exchange has granted permission for the whole of the above Stock to be admitted to the Official List.

In accordance with the requirements of the Council of The Stock Exchange at least two market makers will be offered participation in the marketing of the Stock.

Listing Particulars of the Stock will be available in the Extel statistical service from 27th February, 1989 and copies may be obtained during usual business hours up to and including 1st March, 1989, for collection only, from the Company Announcements Office of The Stock Exchange, 46 Finsbury Square, London EC2A 1DD and up to and including 13th March, 1989, from:

Allied London Properties Plc,
Allied House,
26 Manchester Square,
London W1A 2HU

Cazenove & Co.,
12 Tokenhouse Yard,
London EC2R 7AN

J. Henry Schroder Wagg & Co. Limited,
120 Cheapside,
London EC2V 6DS

Panmure Gordon & Co. Limited,
9 Moorfields Highwalk,
London EC2Y 9DS

Lloyds Bank Plc,
Registrar's Department,
Goring-by-Sea,
Worthing,
West Sussex BN12 6DA

27th February, 1989

Bébéar, Generali Win Battle for Control of Midi

By Jacques Neher
Special to the Herald Tribune

PARIS — With the backing of French institutional investors and Italy's largest insurance company, Assicurazioni Generali SpA, Claude Bébéar wrested control of Compagnie du Midi during a stormy shareholders meeting Tuesday. The coup set the stage for negotiations between Bébéar and Generali aimed at launching insurance joint ventures in Europe and elsewhere. Generali owns around 17 percent of Midi. Mr. Bébéar, president of Axa-Midi Assurances, Midi's insurance group, easily won three additional seats on Midi's board over the objections of Bernard Pagezy, Midi's chairman. It brought to six the number of seats controlled by Mr. Bébéar. Generali also won two seats, giving Mr. Bébéar and Generali together a majority on the 14-member board. Sources close to the company said that Mr. Pagezy's resignation was "imminent" and that Mr. Bébéar was expected to become chairman. "As far as I know, the job isn't available yet," Mr. Bébéar quipped at a press conference following the shareholders meeting in which his resolutions carried nearly 85 percent of the vote. On the Paris Bourse on Tuesday, Midi's shares rose to 1,550 francs (\$250) from 1,470 francs a day earlier. Ironically, it was Mr. Pagezy who last spring enlisted Mr. Bébéar to merge his Groupe Axa with Midi in an attempt to fend off Generali, which had begun building a stake in Midi. Together, they created the second-largest insur-

ance concern in France with 4,200 agents and 1988 premium income of 36 billion francs.

Generali threw its voting weight behind Mr. Bébéar only after Caisse des Dépôts & Consignations, the French state-owned public savings institution, unexpectedly indicated it would vote against Mr. Pagezy. Caisse des Dépôts has a 4 percent stake in Midi.

Other institutions, such as Compagnie Financière de Paris and the state-owned insurance group, Union des Assurances de Paris, also sided with Mr. Bébéar. Sources said Caisse des Dépôts represented the pivotal vote. They speculated that the institution was "paying back" Mr. Bébéar on behalf of the government for his recent help in resolving a shareholding controversy in Société Générale.

Axa-Midi agreed to take a 4.5 percent stake in Société Générale, helping Georges Pébereau and his Marceau Investissements to withdraw after a failed assault on the French bank.

Mr. Bébéar said he had been confident that Generali would support him.

"I know Generali's strategy is the same as mine," he said. "I would have been very astounded if they had voted against our resolutions."

One of Generali's new representatives on the Midi board, Eugenio Coppola di Canzano, said Generali had not agreed to forego buying more shares in Midi, though he did not elaborate on his company's intentions.

French regulatory authorities last year gave Generali permission to acquire up to 33 percent of Midi if it had attained 20 percent by this coming July.

Simon Rudolph, an insurance industry analyst with UBS/Phillips & Drew in London, predicted Generali would consider additional stock purchases as "an option" in case its cooperation attempts with Mr. Bébéar proved unsuccessful. "If things go well with Axa, why should it bother spending all that extra money?" Mr. Rudolph said.

Both Mr. Coppola di Canzano and Mr. Bébéar said they would soon begin talks on developing projects of "common interest" in the insurance field.

Pierre Barberis, managing director of Axa-Midi Assurances, said the companies would explore joint ventures in European markets outside of France and Italy, as well as to work on ventures for specialized insurance products for the global market, such as marine and aviation insurance.

"In Europe, it will be nation by nation approach," Mr. Barberis said.

"If we tried to go into the German market on our own, we would get crushed like a fly by Allianz. But together with Generali, we could do something."

Midi has a formidable distribution network in France and Britain, comprising Assurances du Groupe de Paris, Drouot Assurances and Equity & Law Life Assurance of Britain.

Generali is believed to be less interested in Midi's other assets, which include the Paris stockbrokerage, Meeschaert-Rousselle, and a portfolio of real estate and industrial holdings. Its assets amount to more than 120 billion francs.

Lockheed Stock Rises on Rumor Of Takeover

By Julia Flynn Siler
New York Times Service

LOS ANGELES — The price of Lockheed Corp. stock rose Tuesday on continued takeover speculation and on the belief that the company may be preparing a restructuring program.

There have been takeover rumors for several weeks, "said Lawrence Harris of Bateman Eichler Hill Richards Inc., "but I know of nothing concrete along that line."

Lockheed stock rose 7.5 cents, closing at \$48.625 on the New York Stock Exchange.

A company spokesman declined comment.

Mr. Harris said he expected the company to announce a restructuring as early as next month that would make it a less attractive takeover candidate.

He said he thought such a program would include a stock repurchase and the divestiture of part of its information systems business.

Thiokol's Stock Advances On Plan to Split Company

By Julia Flynn Siler
New York Times Service

CHICAGO — Morton Thiokol Inc.'s plan to split into two companies was greeted favorably on Wall Street on Tuesday, where its stock rose \$2.25, to \$42.25 a share.

On Monday, the company said it would spin off its commercial operations from its troubled aerospace unit, the division that made the booster rocket whose failure led to the explosion of the space shuttle Challenger three years ago.

The plan would create a new company, Morton International Inc., consisting of specialty chemical, airframe, and salt businesses and having estimated annual sales of almost \$1.5 billion.

The current corporate entity, which would retain the aerospace business, would be renamed Thiokol Corp., and would have annual sales of about \$1.1 billion.

Under the transaction, shareholders would receive a tax-free distribution of a share of Morton International stock for each Morton Thiokol share. The company said it expected both companies to

qualify for listings on the New York Stock Exchange.

The company also said it expected significant special charges associated with the transaction to lower its net income for the fiscal year that ends on June 30.

It did not specify how much the charges might be, but it said the company's operating earnings would reach previous projections of \$3.40 to \$3.60 a share.

"The transaction will allow investors to evaluate better the individual businesses and their future outlook, enhancing the likelihood that the true value of each business will be properly reflected," said Charles S. Locke, Morton Thiokol's chairman and chief executive.

The spin-off plan was welcomed by analysts, who said the problems in the company's aerospace division had overshadowed the healthy earnings and good prospects of its other businesses.

"Morton Thiokol's aerospace business has been widely perceived as a drag on the company's stock," said Katharine Plourde, an analyst with Drexel Burnham Lambert Inc. in New York.

Sony Declines Comment on Columbia Talk

By Julia Flynn Siler
New York Times Service

LOS ANGELES — Officials of Sony Corp. of America and Columbia Pictures Entertainment Inc. have refused to comment on reports that Sony plans to buy Columbia Pictures Entertainment.

But shares of Columbia rose for the second consecutive day on speculation that Sony is interested.

Columbia rose \$1, to close at \$16.75 on the New York Stock Exchange. The stock had risen \$1.50 on Monday. Analysts said the speculation about Columbia had helped revive interest in Warner Communications Inc. stock. Warner shares rose 75 cents, to close at \$42.625, in New York.

Some analysts said the rumors about both companies could have been triggered by the recent agreement by New World Entertainment to be acquired by Pathé Entertainment Inc. for \$138 million.

STATUS: Declining Prestige Hurts U.S. Sales of European Luxury Cars

(Continued from first finance page)

cars and social issues like homelessness was also more evident than in the previous two years. "I don't think people are backing away from buying luxury cars because they're concerned about the ozone layer," Mr. Meer said. "It's not cause and effect. But I think both things—the worry and the decision not to buy—spring from the same underlying feeling: that we can't have everything."

Until 1937, European makers of luxury cars had consistently been able to charge premium prices and increase sales for two reasons: substance and style.

European companies, first of all, benefited by demonstrating a quality and performance advantage over most American-made cars.

European automakers also attempted to reinforce their sophisticated, high-class image by advertising and promotion that often focused on status. Aston Martin Lagonda Ltd. of Britain, for example, ran an advertisement that read "Demoralize Thy Neighbor."

Another crucial aspect of European luxury car marketing has been the message that it is intelligent and acceptable behavior to reward oneself by spending an enormous sum on a car.

Such behavior made sense, in the logic of the marketers, because the buyer was getting a superior-quality vehicle.

Throughout the 1980s, however, U.S. automakers have narrowed the gap in quality and performance, eroding the extra value that American luxury-car buyers perceived they were getting for the premium prices.

"We've had three to four years of pretty good news from the U.S. carmakers, and the public is starting to find out," said David E. Davis, publisher of Automobile magazine.

"We're seeing the convergence of two important trends: rising import prices and growing improvement by the domestics. There had to be a point where they crossed."

Moreover, the 1986 overhaul in the federal income tax laws increased the cost of owning a luxury car. The deductibility of most interest payments was phased out and the use of investment tax credits was curtailed.

That meant lawyers, doctors and stockbro-

kers who once routinely deducted their cars as business expenses were forced to make more practical choices.

The decline of the dollar's value against the Deutsche mark, the Swedish krona and other European currencies has accelerated the price increases that luxury car makers had begun about two years ago.

Many executives in the luxury car import business are now convinced that prices have risen so high—and competing American vehicles have so markedly improved—that buyers no longer believe the extra value in a European luxury car justifies the premium price.

"You don't really know where the price vs. value threshold is until you've crossed it," said Brian Bowler, president of Porsche Cars of North America, Inc. "And we crossed it."

While the price of some Porsche models has jumped sharply, the number of cars brought into the United States has dropped by nearly half since 1986, to 15,737 from 30,471.

One Porsche dealer, who asked not to be identified, commented: "A guy just came into my place and said, 'I'm willing to pay \$40,000 for a Porsche 911. But \$55,000? That's crazy.'"

Joseph Herman, who is a partner in 22 auto dealerships, most of them selling European luxury cars, said consumers who buy cars that others think are too highly priced fail to achieve the images for which they are searching.

"The problem is that a person who spends too much money on a car that doesn't have sufficient value is perceived by his friends to be a fool," Mr. Herman said.

As demand for European luxury cars has declined, widespread dealer discounting has ensued, enabling some buyers to buy luxury cars for thousands of dollars less than the sticker price. This has upset manufacturers, who think it cuts into their luxury images.

The sales erosion worries executives of auto import companies, who have been huddling with their European counterparts to develop strategies for halting the decline.

A.B. Shuman, a spokesman for Mercedes-Benz, disputed the notion that affluent consumers are backing away from expensive European cars.

Nevertheless, to make Mercedes more affordable and more attractive, the company has lowered the price of its entry-level 190 series.

Porsche has frozen prices for the rest of the year, dropped the lower-priced 924 model and, in order to improve the value-to-price relationship, added a more powerful engine in the 944 and a new suspension in the 911.

'Luxury cars are still a symbol of success, but the consumer is becoming much more pragmatic.'

Sandy Hoffman, senior vice president, Roper Group

cars who once routinely deducted their cars as business expenses were forced to make more practical choices.

The decline of the dollar's value against the Deutsche mark, the Swedish krona and other European currencies has accelerated the price increases that luxury car makers had begun about two years ago.

Many executives in the luxury car import business are now convinced that prices have risen so high—and competing American vehicles have so markedly improved—that buyers no longer believe the extra value in a European luxury car justifies the premium price.

"You don't really know where the price vs. value threshold is until you've crossed it," said Brian Bowler, president of Porsche Cars of North America, Inc. "And we crossed it."

INTERNATIONAL FUNDS		February 28, 1989	
Quotations supplied by fund lists. Net asset value quotations are supplied by the fund companies. All prices are in U.S. dollars. (a) = weekly; (b) = bi-monthly; (c) = quarterly; (d) = monthly			
ALM GROUP	ALM GROUP	ALM GROUP	ALM GROUP
(a) ALM Fund	30.78	(a) ALM Fund	30.78
(b) ALM Fund	30.78	(b) ALM Fund	30.78
(c) ALM Fund	30.78	(c) ALM Fund	30.78
(d) ALM Fund	30.78	(d) ALM Fund	30.78
(e) ALM Fund	30.78	(e) ALM Fund	30.78
(f) ALM Fund	30.78	(f) ALM Fund	30.78
(g) ALM Fund	30.78	(g) ALM Fund	30.78
(h) ALM Fund	30.78	(h) ALM Fund	30.78
(i) ALM Fund	30.78	(i) ALM Fund	30.78
(j) ALM Fund	30.78	(j) ALM Fund	30.78
(k) ALM Fund	30.78	(k) ALM Fund	30.78
(l) ALM Fund	30.78	(l) ALM Fund	30.78
(m) ALM Fund	30.78	(m) ALM Fund	30.78
(n) ALM Fund	30.78	(n) ALM Fund	30.78
(o) ALM Fund	30.78	(o) ALM Fund	30.78
(p) ALM Fund	30.78	(p) ALM Fund	30.78
(q) ALM Fund	30.78	(q) ALM Fund	30.78
(r) ALM Fund	30.78	(r) ALM Fund	30.78
(s) ALM Fund	30.78	(s) ALM Fund	30.78
(t) ALM Fund	30.78	(t) ALM Fund	30.78
(u) ALM Fund	30.78	(u) ALM Fund	30.78
(v) ALM Fund	30.78	(v) ALM Fund	30.78
(w) ALM Fund	30.78	(w) ALM Fund	30.78
(x) ALM Fund	30.78	(x) ALM Fund	30.78
(y) ALM Fund	30.78	(y) ALM Fund	30.78
(z) ALM Fund	30.78	(z) ALM Fund	30.78
(aa) ALM Fund	30.78	(aa) ALM Fund	30.78
(ab) ALM Fund	30.78	(ab) ALM Fund	30.78
(ac) ALM Fund	30.78	(ac) ALM Fund	30.78
(ad) ALM Fund	30.78	(ad) ALM Fund	30.78
(ae) ALM Fund	30.78	(ae) ALM Fund	30.78
(af) ALM Fund	30.78	(af) ALM Fund	30.78
(ag) ALM Fund	30.78	(ag) ALM Fund	30.78
(ah) ALM Fund	30.78	(ah) ALM Fund	30.78
(ai) ALM Fund	30.78	(ai) ALM Fund	30.78
(aj) ALM Fund	30.78	(aj) ALM Fund	30.78
(ak) ALM Fund	30.78	(ak) ALM Fund	30.78
(al) ALM Fund	30.78	(al) ALM Fund	30.78
(am) ALM Fund	30.78	(am) ALM Fund	30.78
(an) ALM Fund	30.78	(an) ALM Fund	30.78
(ao) ALM Fund	30.78	(ao) ALM Fund	30.78
(ap) ALM Fund	30.78	(ap) ALM Fund	30.78
(aq) ALM Fund	30.78	(aq) ALM Fund	30.78
(ar) ALM Fund	30.78	(ar) ALM Fund	30.78
(as) ALM Fund	30.78	(as) ALM Fund	30.78
(at) ALM Fund	30.78	(at) ALM Fund	30.78
(au) ALM Fund	30.78	(au) ALM Fund	30.78
(av) ALM Fund	30.78	(av) ALM Fund	30.78
(aw) ALM Fund	30.78	(aw) ALM Fund	30.78
(ax) ALM Fund	30.78	(ax) ALM Fund	30.78
(ay) ALM Fund	30.78	(ay) ALM Fund	30.78
(az) ALM Fund	30.78	(az) ALM Fund	30.78
(ba) ALM Fund	30.78	(ba) ALM Fund	30.78
(bb) ALM Fund	30.78	(bb) ALM Fund	30.78
(bc) ALM Fund	30.78	(bc) ALM Fund	30.78
(bd) ALM Fund	30.78	(bd) ALM Fund	30.78
(be) ALM Fund	30.78	(be) ALM Fund	30.78
(bf) ALM Fund	30.78	(bf) ALM Fund	30.78
(bg) ALM Fund	30.78	(bg) ALM Fund	30.78
(bh) ALM Fund	30.78	(bh) ALM Fund	30.78
(bi) ALM Fund	30.78	(bi) ALM Fund	30.78
(bj) ALM Fund	30.78	(bj) ALM Fund	30.78
(bk) ALM Fund	30.78	(bk) ALM Fund	30.78
(bl) ALM Fund	30.78	(bl) ALM Fund	30.78
(bm) ALM Fund	30.78	(bm) ALM Fund	30.78
(bn) ALM Fund	30.78	(bn) ALM Fund	30.78
(bo) ALM Fund	30.78	(bo) ALM Fund	30.78
(bp) ALM Fund	30.78	(bp) ALM Fund	30.78
(bq) ALM Fund	30.78	(bq) ALM Fund	30.78
(br) ALM Fund	30.78	(br) ALM Fund	30.78
(bs) ALM Fund	30.78	(bs) ALM Fund	30.78
(bt) ALM Fund	30.78	(bt) ALM Fund	30.78
(bu) ALM Fund	30.78	(bu) ALM Fund	30.78
(bv) ALM Fund	30.78	(bv) ALM Fund	30.78
(bw) ALM Fund	30.78	(bw) ALM Fund	30.78
(bx) ALM Fund	30.78	(bx) ALM Fund	30.78
(by) ALM Fund	30.78	(by) ALM Fund	30.78
(bz) ALM Fund	30.78	(bz) ALM Fund	30.78
(ca) ALM Fund	30.78	(ca) ALM Fund	30.78
(cb) ALM Fund	30.78	(cb) ALM Fund	30.78
(cc) ALM Fund	30.78	(cc) ALM Fund	30.78
(cd) ALM Fund	30.78	(cd) ALM Fund	30.78
(ce) ALM Fund	30.78	(ce) ALM Fund	30.78
(cf) ALM Fund	30.78	(cf) ALM Fund	30.78
(cg) ALM Fund	30.78	(cg) ALM Fund	30.78
(ch) ALM Fund	30.78	(ch) ALM Fund	30.78
(ci) ALM Fund	30.78	(ci) ALM Fund	30.78
(cj) ALM Fund	30.78	(cj) ALM Fund	30.78
(ck) ALM Fund	30.78	(ck) ALM Fund	30.78
(cl) ALM Fund	30.78	(cl) ALM Fund	30.78
(cm) ALM Fund	30.78	(cm) ALM Fund	30.78
(cn) ALM Fund	30.78	(cn) ALM Fund	30.78
(co) ALM Fund	30.78	(co) ALM Fund	30.78
(cp) ALM Fund	30.78	(cp) ALM Fund	30.78
(cq) ALM Fund	30.78	(cq) ALM Fund	30.78
(cr) ALM Fund	30.78	(cr) ALM Fund	30.78
(cs) ALM Fund	30.78	(cs) ALM Fund	30.78
(ct) ALM Fund	30.78	(ct) ALM Fund	30.78
(cu) ALM Fund	30.78	(cu) ALM Fund	30.78
(cv) ALM Fund	30.78	(cv) ALM Fund	30.78
(cw) ALM Fund	30.78	(cw) ALM Fund	30.78
(cx) ALM Fund	30.78	(cx) ALM Fund	30.78
(cy) ALM Fund	30.78	(cy) ALM Fund	30.78
(cz) ALM Fund	30.78	(cz) ALM Fund	30.78
(da) ALM Fund	30.78	(da) ALM Fund	30.78
(db) ALM Fund	30.78	(db) ALM Fund	30.78
(dc) ALM Fund	30.78	(dc) ALM Fund	30.78
(dd) ALM Fund	30.78	(dd) ALM Fund	30.78
(de) ALM Fund	30.78	(de) ALM Fund	30.78
(df) ALM Fund	30.78	(df) ALM Fund	30.78
(dg) ALM Fund	30.78	(dg) ALM Fund	30.78
(dh) ALM Fund	30.78	(dh) ALM Fund	30.78
(di) ALM Fund	30.78	(di) ALM Fund	30.78
(dj) ALM Fund	30.78	(dj) ALM Fund	30.78
(dk) ALM Fund	30.78	(dk) ALM Fund	30.78
(dl) ALM Fund	30.78	(dl) ALM Fund	30.78
(dm) ALM Fund	30.78	(dm) ALM Fund	30.78
(dn) ALM Fund	30.78	(dn) ALM Fund	30.78
(do) ALM Fund	30.78	(do) ALM Fund	30.78
(dp) ALM Fund	30.78	(dp) ALM Fund	30.78
(dq) ALM Fund	30.78	(dq) ALM Fund	30.78
(dr) ALM Fund	30.78	(dr) ALM Fund	30.78
(ds) ALM Fund	30.78	(ds) ALM Fund	30.78
(dt) ALM Fund	30.78	(dt) ALM Fund	30.78
(du) ALM Fund	30.78	(du) ALM Fund	30.78
(dv) ALM Fund	30.78	(dv) ALM Fund	30.78
(dw) ALM Fund	30.78	(dw) ALM Fund	30.78
(dx) ALM Fund	30.78	(dx) ALM Fund	30.78
(dy) ALM Fund	30.78	(dy) ALM Fund	30.78
(dz) ALM Fund	30.78	(dz) ALM Fund	30.78
(ea) ALM Fund	30.78	(ea) ALM Fund	30.78
(eb) ALM Fund	30.78	(eb) ALM Fund	30.78
(ec) ALM Fund	30.78	(ec) ALM Fund	30.78
(ed) ALM Fund	30.78	(ed) ALM Fund	30.78
(ee) ALM Fund	30.78	(ee) ALM Fund	30.78
(ef) ALM Fund	30.78	(ef) ALM Fund	30.78
(eg) ALM Fund	30.78	(eg) ALM Fund	30.78
(eh) ALM Fund	30.78	(eh) ALM Fund	30.78
(ei) ALM Fund	30.78	(ei) ALM Fund	30.78
(ej) ALM Fund	30.78	(ej) ALM Fund	30

SPORTS

Romanians Hoist Flag on Three European Fronts

LONDON — Winning in Europe becomes ever more a matter of money, power and geography. Larger and larger monies are laid at the feet of fewer and fewer star performers, whose choice of club may hinge on tax structures, climate, shopping or schooling offered to Mr. and Mrs. Soccer Millionaire.

The presence of Monaco in Wednesday's European Cup quarterfinals illustrates the point. A prince's purse puts Monaco's Carlo's nouveau riche up there with soccer's fat cats.

ROB HUGHES

Yet those who reach out to buy stars cannot know if their wealth erodes the hunger that spurs players to take physical risks, to run through pain for yet another victory, another few thousand dollars, another trophy for a club most are merely passing through.

Triumph generated out of triumph is an old-fashioned concept. But it is the core of the city currently striving for success on more fronts than any other.

"The greater the hardship, the better our results," is the boast in Bucharest. Here is a city short of basic foods, of freedom and of electricity — yet Bucharest has Steaua in the European Cup, Dinamo in the Cup Winners' Cup, and Victoria the UEFA Cup.

It is as if the Romanian capital, once a fortress town and trading post on the road to Constantinople, has rediscovered the siege mentality: none shall pass, and none shall plunder.

Steaua Bucharest is indeed an army club built around a little general much coveted by Italians, Greeks and Spaniards.

George Hagi inspires Steaua with a left foot that makes the ball dance to his desire. He came to Steaua on military service after the club's dour triumph in the 1986 European Cup. He won't leave unless and until Romania's leader, President Nicolae Ceausescu, decides the lire is worth more than the kudos of Hagi's captivating (perhaps captive) skills at home.

Not that Hagi is all alone. Marius Lacatus is a tormenting right winger, and Miocdrag Belodedici makes gliding runs from defense reminiscent of Franz Beckenbauer.

Steaua travels to Gothenburg, where liberty is a byword and where the IFK club has groomed, sold, then rebuilt talents to surprise Europe.

The contrast is intriguing. So might be the ways of ensuring the Romanians' return without adding to detractors from soccer, rugby and gymnastics.

Even so, most European eyes will focus on Wednesday on PSV Eindhoven vs. Real Madrid.

This is a revenge mission for Madrid, whom PSV eliminated in last year's semifinal by drawing 1-1 in Spain and 0-0 in the Netherlands (away goals counting).

The stakes are sky high. Leo Beenhakker, Madrid's Dutch coach, has gambled mightily.

He has toyed with Latin delicacy. He decided that if goalkeeping "twins" Emilio Butragueño and Hugo Sanchez couldn't crack PSV, and if Spain's best midfielder, Michel, Martin Vazquez, Ricardo Gallego and Rafael Corral could not outwit the tactical Dutchmen, it was the coach's duty to improve it.

Beenhakker purchased Bernd Schuster from arch rival Barcelona — and how the Catalans laughed at

ridding themselves of the quarrelsome Schusters (Mr. and Mrs.).

When Madrid failed to reach the same heights this season as last, all Spain thought Beenhakker had had a stroke of megalomania.

Did he suppose he could tame the eternal enfant terrible Schuster? How could he operate two play-makers, with both Schuster and Michel wanting to lead the orchestra? And surely Schuster's long passes were lost on Butragueño and Sanchez, whose acrobatics is best served by incisive short play.

Well, Real Madrid again leads the Spanish league. It's recent form has stiffened the critics, and last weekend's 5-1 trouncing of Betis Seville must send a shiver down Eindhoven spines.

Schuster might even be the foreign element, the guts as well as flair, to beat PSV this time. The blond West German may have sulked through much of his prime in Barcelona, but, properly primed and motivated, he is capable of enormous physical bravery as well as breathtaking passing and shooting.

We shall know Wednesday if Madrid's craving to reconquer Europe (and the booty on offer) prompts harmony between Schuster and Michel.

If so, Beenhakker becomes hero in Spain, traitor in Holland. And if not, he departs: pronto.

The gods could be leaning his way. Michel is able to play because UEFA (pliant as usual to Real Madrid persuasion) slashed his suspension from nine matches to three following the Spaniard's gross abuse to the referee against PSV last year.

Madrid is at full strength; PSV not so. The Dutch goalkeeper Hans Van Breukelen is out with cartilage and ligament damage, defender Eric Gerets is dismissed by age, midfielder Steven Lerby carries the weight of involvement in Ajax Amsterdam illegal payments, and the captain, Ron Koeman, has half his mind on next summer's \$7 million move to Barcelona.

PSV will trust that competitive instincts will rouse Koeman to serve the quick, darting Brazilian goalkeeper Romario, to steady the young keeper Patrick Lodewijks and to guide the enthusiasm of emerging attackers Jules Ellerman and Anton Janssen.

But if Real Madrid has the courage to go for it, I suspect Spain will reign this time.

The Dutch, however, are everywhere. They are the backbone of A.C. Milan's challenge against West Germany's Werder Bremen.

Ronald Gullit has back after injuries and scored twice in Milan's 6-1 annihilation of Pescara in Italy last Sunday. Frank Rijkaard also scored — and Rijkaard, who badly missed Gullit, needs more success to convince Milan that his unreliability was due to being pressed in too many positions during the team's catastrophic injuries.

Milan's prematurely greying forward, Antonio Virdis, also scored twice on Sunday, reminding us that Italians also score. And Milan is a third Dutchman, Marco Van Basten, has been in striking form — winning goals and opponents before being ordered off 10 days ago.

With the Italian championship now out of Milan's reach, the priority is the European Cup. And tough, wily, experienced though Bremen is, I haven't bet against Gullit yet, and he never lets me down.

So, Steaua Bucharest, Real Madrid, AC Milan and who else?

It should be Monaco. Built around Glenn Hoddle, but with Patrick Battiston majestic in defense, its



George Hagi of Steaua Bucharest, which plays in the European Champions' Cup quarterfinals.

trump card could be the Ivory Coast winger Youssef Fofana.

The little man has blistering pace, and an intuitive nose for goals. He destroyed Bruges with three in the last round, so I doubt Galatasaray has any legitimate way of catching him — though the Turkish champion itself boasts Tuncay Colak, whose 39 goals won last season's European Golden Boot.

In the Cup Winners' Cup, the holder Mechelen of Belgium may, with its goalscorers John Bosman of the Netherlands and Eli Ohana of Israel, be too powerful for Eintracht Frankfurt, which is just rising from the bottom of West Germany's league after four managerial and two presidential changes this season.

Sofia Sofia is tough opposition for Roda of the Netherlands. And Sampdoria of Italy, in superb

form of late, has to visit Bucharest against a Dinamo team which matches Steaua in the Romanian league.

The UEFA Cup pits Hearts of Scotland against a Bayern Munich team celebrating a record 19-game unbeaten streak.

It also has a suddenly faltering VfB Stuttgart against the Basques of Sociedad. Victoria Bucharest, on Tuesday, could only draw against Dynamo Dresden, making it hard for the second leg in East Germany.

Finally, Juventus vs. Napoli. Italians will spend \$2 million to watch this — and why not with such duals as Maradona and Careca vs. Zavarov and Laudrup. Yet this Italian passion play reduces to just that, a one-nation sideshow, compared to Europe's wider stage.

Rob Hughes is on the staff of the Sunday Times

'Fresh Admissions' On Steroids Likely In Canada Inquiry

The Associated Press

TORONTO — The federal inquiry into drugs in athletics, which opened after Canadian sprinter Ben Johnson was stripped of his Olympic gold medal for taking steroids, resumed Tuesday with hints of sweeping admissions to come of steroid use in track and field.

The commission counsel, Robert Armstrong, said in the opening of the hearing's track and field portion that he anticipates "fresh admissions of steroid use," probably to a degree never seen anywhere in the world.

He recommended that steps be taken to ensure that no sanctions be applied against any athletes for their candor. The commission head, Charles Dubin, said he believed there was merit to the observation, and it would be considered at the proper time.

Dubin was appointed to lead the inquiry after Johnson was stripped of his 100-meter gold medal last September.

Charles Francis, who has been Johnson's coach since Johnson was 15, started days of testimony with a step-by-step description of his own career in track and the start of the track club that Johnson joined.

During about two hours of testimony, Francis chronicled Johnson's growth into the world's premier sprinter and his rivalry with American speedster Carl Lewis.

Francis said he did not have guessed when he first saw Johnson that he would turn into a world champion. Johnson was brought to the Scarborough Optimists Track and Field Club by his brother, Eddie.

Johnson, who maintains that he never knowingly used drugs to enhance his performances, also will be testifying during the hearings, scheduled to last for the next several weeks.

Johnson's physician, Dr. Jamie Astaphan, also has agreed to testify sometime in the next few weeks.

"Drug Testing Ground"

Johnson was a "pharmaceutical testing ground," pumped with steroids without his direct knowledge before the Summer Olympics by a doctor who called drug tests "a joke," an American sports therapist, Jack Scott, has contended.

Scott's role in Johnson's training for the Olympics in Seoul is detailed in the April issue of Runner's World magazine. A copy was made available to The Associated Press on Monday.

Scott confirmed the information in a telephone interview from his office in Berkeley, California.

Scott said he decided to speak out now — four months after the Olympics — because he was appalled by the "disloyalty" shown by Astaphan.

Dr. Astaphan recently came forward and said he never gave Ben Johnson steroids and Ben Johnson went to Toronto and got the stanozolol on his own," Scott said.

Scott, who worked extensively with Johnson during the Canadian sprinter's training for Seoul, said Astaphan turned against the sprinter because of jealousy.

"Astaphan was irate that Charlie Francis was getting the credit (for Johnson's success) as coach and Ben Johnson was getting credit, but he wasn't," Scott said. "Now, when they're caught, he doesn't want to have anything to do with it, he wants to dump it all in Ben Johnson's lap."

"He (Astaphan) denied for months that he ever used stanozolol, and then the drug company came out and said it had been sending it to him for a long time," Scott contended.

"In Ben Johnson's case, he is one of the most decent people I've met in sports. It's a tragedy what this has cost him because of the trust he put in his coach and his doctor. I think he has to accept some responsibility for that, but not the primary responsibility."

"Astaphan started Johnson on steroids without the sprinter's direct knowledge, even though, certainly Johnson consented to continue," the magazine said.

At times, Scott said, Johnson ingested as many as 20 or 30 pills at a time.

Scott said that when he asked Astaphan about the possible repercussions from drug testing, the doctor replied, "The tests are a joke."

"Astaphan (had) talked about everything (in St. Kitts)," the article said. "About what a brilliant job he had done transforming Johnson from a skinny little kid when Astaphan began working with him five years before. About how Charlie Francis had achieved nothing..."

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

Atlantic Division

W L Pct. GB

New York 29 24 .547 7

Philadelphia 25 29 .463 11 1/2

Washington 22 31 .413 14

Boston 22 31 .413 14

Charlotte 15 37 .287 21 1/2

Central Division

W L Pct. GB

Cleveland 27 24 .528 7

Detroit 24 25 .490 8

Milwaukee 24 25 .490 8

Indiana 22 27 .447 10

Chicago 13 40 .245 28

Western Conference

Midwest Division

W L Pct. GB

Portland 34 22 .607 7

Seattle 31 25 .554 10

Denver 30 26 .538 11

Utah 28 28 .500 13

San Antonio 13 41 .241 24 1/2

Pacific Division

W L Pct. GB

Los Angeles 30 26 .538 11

Phoenix 28 28 .500 13

Golden State 27 29 .482 14

Sacramento 22 34 .393 19

Monday's Results

NBA

New York 91-87 Boston

Philadelphia 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

NBA Leaders

Team Offense

Team Defense

Team Rebounding

Team Steals

Team Blocks

Team Assists

Team Turnovers

Team Fouls

Team Points Per Game

Team Field Goals Per Game

Team Free Throws Per Game

Team Three Pointers Per Game

Team Minutes Per Game

Team Points Per Minute

Team Field Goals Per Minute

Team Free Throws Per Minute

Team Three Pointers Per Minute

Team Minutes Per Minute

Team Points Per Minute

Team Field Goals Per Minute

Team Free Throws Per Minute

Team Three Pointers Per Minute

Team Minutes Per Minute

Team Points Per Minute

Team Field Goals Per Minute

Team Free Throws Per Minute

Team Three Pointers Per Minute

Team Minutes Per Minute

Team Points Per Minute

Team Field Goals Per Minute

Team Free Throws Per Minute

Team Three Pointers Per Minute

Team Minutes Per Minute

Team Points Per Minute

Team Field Goals Per Minute

Team Free Throws Per Minute

Team Three Pointers Per Minute

Team Minutes Per Minute

Team Points Per Minute

Team Field Goals Per Minute

Team Free Throws Per Minute

Team Three Pointers Per Minute

Team Minutes Per Minute

HOCKEY

NHL Standings

W L Pct. GB

New York 30 26 .538 11

Philadelphia 28 28 .500 13

Washington 27 29 .482 14

Boston 22 34 .393 19

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

WALLES CONFERENCE

W L Pct. GB

New York 30 26 .538 11

Philadelphia 28 28 .500 13

Washington 27 29 .482 14

Boston 22 34 .393 19

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

Charlotte 101-93 Washington

Boston 101-93 Washington

CAMPBELL CONFERENCE

